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NEWS SUMMARY

GENERAL

Knifings bring walkout on Tube

Walkouts were called on large sections of London's Underground network last night and tonight in protest against violence against staff and passengers.

The unofficial call came from National Union of Railwaymen members hours after a youth of 16 was stabbed and seriously injured and a ticket collector slashed in the throat at Northern Line stations. Staff say those attacks and earlier ones, make every station a potential hazard.

Staff were urged to leave their jobs at 10 pm last night and tonight at all District Line stations between Whitechapel and Upminster Bridge and the whole East London section between Whitechapel and New Cross.

Police hunt for gunmen

Armed police combed the Norfolk Broads near Lowestoft for an "extremely dangerous" teenager who tried to shoot two policemen in a motel. Earlier two youths fired four shots, clubbed one officer unconscious, left another beaten and bleeding and locked two more in a bathroom at gunpoint.

The police were questioning the youths about a suspicious car outside the motel. Later a car was found abandoned and another crashed and a 17-year-old youth was detained for questioning.

Israel snubs U.S.

Israel has rejected a U.S. proposal for a new Security Council resolution recognising Palestinian rights, Robert Strauss, President Carter's special envoy to the Middle East, said after talks in Jerusalem. Back Page

Seamen freed

A Soviet court found two British seamen guilty of "malicious hooliganis" but freed them on an 8-month suspended sentence. Martin Shipley, 17, and Stephen Thomas, 18, were accused of assaulting a woman in the Black Sea port of Batumi in July.

Bokassa aid cut

France suspended all aid except food, health and education assistance to the Central African Empire. The move comes after an African legal commission supported allegations that Emperor Bokassa had ordered and taken part in the massacre of children. Page 2

Liberals expelled

The Welsh Liberal Party expelled its Cardiff South East branch for supporting the Conservative candidate in the general election in an attempt to oust Mr. James Callaghan, the sitting MP. Page 3.

Minister to wed

One of Rhodesia's most outspoken ministers, Pieter Van Der Byl, 55, is to marry Princess Charlotte of Liechtenstein on August 31 in Austria, his aides said. The princess, 26, is the grand-daughter of the last Austro-Hungarian emperor.

'18 beheaded'

Iran accused Kurdish rebels of beheading 18 people in the embattled border town of Paveh. In Tehran more than half a million Iranians joined a procession to show solidarity with the Palestinians. Page 2

Hospital deaths

Three women have died after an outbreak of salmonella poisoning at Clifton Hospital, York.

Briefly . . .

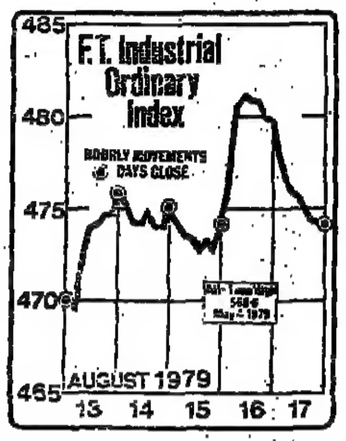
Afghanistan's military attache in New Delhi, Col. Mohammad Sarwar left his post and sought asylum in Pakistan.

Police and troops mounted dawn raids on Sinn Fein offices in West Belfast.

BUSINESS

Equities ease; Pound slips

● EQUITIES eased ahead of the July trade figures next week and the FT ordinary index closed 5.5 down at 474.2, making an overall gain of 4.2 on the week.



● GILTS slipped, and the Government Securities index fell 0.39 to 73.64.

● STERLING lost ground and closed 40 points down at $2.2180. Its trade-weighted index fell to 70.7 (71.0) and the dollar's rose slightly to 84.7 (84.6).

● GOLD rose $1½ to $299¼ in London.

● WALL STREET was 0.77 up at 884.81 just before the close.

● GROSS DOMESTIC PRODUCT rose by nearly 3 per cent between April and June compared with the previous three months, representing a recovery from the low levels of activity during the winter, according to Government statistics. Back Page

● ABBEY NATIONAL, one of the UK's major building societies, is in "advanced negotiations" with a local council over plans to establish its own housing association, which would allow Abbey to finance housebuilding directly. Page 2

● DUNBEE-Combex-Marx, the toy manufacturer, is sending shareholders a new set of 1978 accounts because of errors that appeared in the original version which were discovered during a review of audit working papers. Back Page

● PRESIDENT CARTER has lifted price controls on heavy crude oil in an effort to encourage oil companies to extract the deposits in the west and south of the U.S. Back Page

● TEXAN oilwell fire and blow-out expert Mr. Red Adair, has said that safety standards in the North Sea are probably higher than in the U.S. Page 2

● NORTH SEA catering workers have ended their three-week strike and following an agreement which includes an improved pay offer and the introduction of life insurance cover, workers are returning to offshore oil rigs to resume normal duties. Page 3

● ANTI-TRUST suit has been filed in the U.S. against the proposed acquisition by Merck of Alginate Industries of the UK, the world's leading producer of Alginate, an extract of seaweed.

COMPANIES

● CORAL LEISURE Group pre-tax profits for the six months to June 30 fell from £7.14m to £5.85m on sales up from £136m to £155m. Page 16 and Lex.

● BROKEN HILL Proprietary, Australia's largest industrial group, plans to raise almost A$135m ($151m) through a rights issue to finance further developments and investment. Page 19

● SPILLERS, the second biggest British flour miller, is raising its prices by an average 8 per cent—or £16 a tonne—from September 3. Page 3

● ALCAN (UK) pre-tax profits for the first half of 1979 fell from £5.1m to £3.6m in spite of sales up from £136m to £149.3m. Page 16 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES:		
Assoc. Leisure	109	+ 2½
Davenports	101	+ 9
Ewart New Northern	60	+ 5
Gleeson (M. J.)	40	+ 4
May and Hassell	88	+ 5
Oliver (G.) A	95	+ 5
Vosper	202	+ 12
Anglo-American Coal	925	+ 75
Doornfontein	311	+ 14
Hampton Areas	220	+ 15
Union Corp.	387	+ 10
Welkom	311	+ 19

FALLS:		
Treasury 11¾pc '03-07 (£15 pd.)	£15½	− ½
Beecham	143	− 4
Belhaven	37	− 4
Bestobell	210	− 12
Brown (J.)	423	− 12
Clifford (C.)	123	− 5
Grand Metropolitan	145	− 6
Hallam Sleigh	24	− 6
Midland Bank	370	− 8
Peters Stores	75	− 4
Royal Insurance	348	− 7
SEET	66	− 6
Trusthouse Forte	145	− 4
Shell Transport	326	− 6

As index showing effects of tax cuts is launched . . .

Retail prices rise by record 4.3% on Budget increases

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The Government yesterday attempted to counter the impact of a record rise in retail prices last month with the announcement of new index designed to show the effect of income tax cuts.

The retail prices index rose by 4.3 per cent in the month to mid-July to 229.1 (January, 1974 =100). This is *fractionally* higher than the rise after the spring, 1975, Budget.

About 75 per cent of the increase was the direct result of *the June Budget increases* in Value Added Tax, tobacco and petrol duties and prescription charges.

The result is that the 12-month rate of retail price inflation accelerated to 15.6 per cent last month compared with 11.4 per cent previously.

The new Tax and Price Index rose by 13.2 per cent in the year to July. The difference between this and the increase in retail prices is explained by the reduction in income tax over the period. Both indices will appear on the same day each month.

The new index reflects changes in both prices and taxes and measures the increase in gross income (before tax) needed to maintain take-home pay in real (inflation adjusted) terms.

Mr. Nigel Lawson, Financial Secretary to the Treasury, claimed the index gives a "better indication of changes in total household costs than the retail prices index does on its own."

Mr. Lawson argued that yesterday's figures showed that "the tax cuts in the Budget wholly offset the combined effect of the increase in VAT and the underlying rate of inflation between the two months."

This point was disputed by Mr. John Kay, the director of research at the independent Institute for Fiscal Studies which has produced a similar indicator. He said the official index was presented in a manner designed to put the effect of the Budget changes in the most favourable light, largely because of the treatment of the timing of tax changes.

A comparison of the new index with the increase in average earnings suggests that the growth of real incomes is slowing substantially.

The 12-month rate of retail price inflation may only edge up gradually from now, before possibly falling back in 1980, following the recent bunching of prices rises.

The Treasury forecast in mid-June that the 12-month rate would rise to 17½ per cent by ovember and this view still stands as the rise in sterling and the sharp increase in crude oil prices have largely cancelled each other out.

Continued on Back Page
Editorial Comment and Feature—Page 14

Murray says VAT increase must go

By Christian Tyler, Labour Editor

THE RECORD rise in the retail prices index demonstrated that the Budget strategy should be reversed, Mr. Len Murray, TUC general secretary, claimed yesterday.

The increase in Value Added Tax to 15 per cent should be withdrawn and a policy for economic growth which would increase real living standards adopted.

July's 4.3 per cent advance in the RPI "demonstrates the extent of the damage caused by the Government's Budget. Prices in the shops, which unlike the tax cuts, affect everyone equally, are now soaring, hitting everybody's living standards."

Referring to the motion on economic policy that the TUC general council is putting to next month's annual congress, Mr. Murray said trade union members would be seeking to maintain jobs and living standards through collective bargaining.

The TUC, like the Government, will not name a figure for wage rises in the coming pay round. But its defence of the RPI as the appropriate measure of living costs and sharp criticism of the new tax and price index could encourage those union leaders who are already suggesting that the current RPI figure should be the starting point for pay claims.

Introducing the new index yesterday, Mr. Nigel Lawson, Financial Secretary to the Treasury, claimed that "maintaining the standard of living was not the point of wage bargaining."

Although the TPI is widely seen as part of the Government's effort to moderate pay claims, Mr. Lawson said there was no case for using any index, whether the RPI or the TPI, as a basis for wage bargaining.

"Our approach is clear. Wage bargains should reflect the productivity and competitive position of the individual organisations, their profitability and the constraints implied by the Government's monetary and fiscal policies."

But he conceded that the unions' habit of using the RPI would not be broken overnight.

Asked if the new index was an attempt to discredit the RPI, he said: "I would like to discredit all indices as a measure for negotiations." The TPI was, however, a useful guide to the overall movement of household costs.

Continued on Back Page

Shipyard calls to resist closures plan

BY OUR LABOUR STAFF

BRITAIN'S 82,000 shipyard workers were yesterday urged to call a "national campaign of resistance" to the yard closures and mass redundancies unveiled by British Shipbuilders to the shipbuilding unions on Thursday.

The call, from shop stewards at the Scotstoun Marine and Govan yards on the Upper Clyde, came alongside an implied warning by British Shipbuilders that the cuts could be even more severe if its target for orders between now and 1981 was not met.

On Thursday, union leaders were told that three yards, all in Scotland, would close, and a fourth, also in Scotland, would be put on a care-and-maintenance basis. With cuts elsewhere there would be 6,00 redundancies.

Action against the proposals started with a walk-out by over 5,000 workers at Scotstoun Marine, which is to be closed, and Govan. At a mass meeting held to discuss the proposals, they decided to impose an indefinite overtime ban.

The ban will have an immediate effect on the £71m Polish ships order won by the yard after guaranteeing normal working in January last year.

The Confederation of Shipbuilding and Engineering Unions will hold a delegate conference in Newcastle-upon-Tyne on Thursday to debate the planned closure of four yards and about 6,000 redundancies.

Shop stewards from Scotland plan to hold an emergency meeting earlier in the week to discuss their strategy.

Mr. Sammy Gilmore, Govan convener, said in Glasgow: "Anger and resentment are running through the place. There wil lbe a complete overtime ban while the threat of closure remains.

"There will be no further co-operation from the workforces at Govan or Scotstoun."

British Shipbuilders said yesterday its restructing proposals for merchant shipbuilding depended on the corporation's winning 45 new ship orders by March, 1981.

The corporation's objective of a total reduced annual capacity of between 400,000 and 420,000 compensated gross registered tons would be achieved only "if already planned improvements in productivity are maintained and new orders won."

There were prospects for several overseas orders for ships and offshore equipment.

The corporation yesterday published details of its proposed cuts, which are to be phased over the next 18 months.

This timetable suggests that the corporation is taking seriously the implications of last month's Government shipbuilding policy statement. hTis set a ceiling of £100m on British Shipbuilders' loss in the year to next March and one of £90m for that in the year to March, 1981.

The Industry Department was told of the proposed cuts earlier this week.

Scotland would suffer the most, British Shipbuilders said, because other areas, particularly the north-east, had already suffered their share of redundancies.

Yards affected are:

● Scotstoun Marine, part of Govan Shipbuilders on the Upper Clyde, 2,260 redundancies. The total includes a small number at the Govan yard.

● Cartsdyke, part of Scott Lithgow, on the Lower Clyde, 300 redundancies.

● Robb Caledon, Dundee, 1,100 redundancies. The Leith yard to stay open.

● Scott and Sons (Bowling), part of Scott Lithgow, on the north bank of the Lower Clyde, 226 redundancies.

British Shipbuilders also plans to restructure work, with some redundancies, at other yards this year and seven next year:

● Smith's Dock Company, on the Tees is to lose 150 jobs.

● North Sands yard, part of Sunderland Shipbuilders, is to lose 550 jobs. Shipbuilding will cease, but it is to be kept as the main outfitting yard for the company.

● Cammell Laird at Birkenhead is to lose 1,000 jobs and the yard will concentrate on naval work with some short term specialist merchant ship work.

● Scott Lithgow's Kingston Glen yards on the Lower Clyde will switch from merchant shipbuilding to offshore work.

● Govan Shipbuilders' Upper Clyde yard is to produce more complex ships, including ferries, and product and chemical tankers.

● The Hepburn yard of Swan Hunters on the Tyne will include a new training shipyard school, for the north east.

The corporation also plans to cut 250 jobs at three marine engine builders, all on the Lower Clyde at Greenock. They are the Cowal Engineering Company and Scotts' Engineering Company, both part of Scott Lithgow ad John G. Kincaid.

British Shipbuilders expects the greatest problems with its programme to occur at Cammell Laird, because of the lack of alternative work on Merseyside.

Taxman urges 'realistic' rate on company cars

BY DAVID FREUD

THE GOVERNMENT launched its expected attack on fringe benefits with an Inland Revenue consultative paper released yesterday.

The paper deals with company cars and petrol used for private motoring. It proposes that tax on these benefits should be increased to a "realistic" rate.

This area was singled out for early review because motoring perks are believed to account for about 80 per cent of the total value of fringe benefits.

There are four key proposals on which consultation is invited. These are:

● Raising the level of benefit under which employees who use company cars for private motoring are assessed. The scale of notional value is considered unrealistically low.

● abolition of the earnings threshold, at present £8,500, below which the benefit is not taxed at all.

● Introduction of taxation on company petrol provided free for private motoring.

● Implementing the changes through employers adding the value of the benefits to wages and salaries each pay-day before deducting tax at source.

Mr. Peter Rees, Minister of State at the Treasury, warned about the attack on fringe benefits last month in the committee stage of the Finance Bill. He said any responsible Government would want to look at "the whole field of perquisites" and see what could be done.

The paper argues that the growth in non-cash benefits is the inevitable result o fa regime of high personal tax rates.

The benefits are inequitable and distort the employment market. Therefore action is required to discourage further growth and "if possible, to bring about a contraction."

The Revenue estimates that there are between 1.5m and 2m company cars in use at present, with 500,000 provided for the higher paid and directors and the remainder to employees earning less than £8,500.

The present benefits scale brings in about £65m in revenue annually. If the scale was increased to the level of the Automobile Association's figures for the cost of motoring, an additional £150m would be raised.

Abolition of the earnings threshold would bring in further revenue estimated at roughly £180m. Introduction of both measures would provide finance to take almost 1p off the 30p basic rate of tax.

The Revenue said abolition of the threshold could not take effect until 1981-82, although the other changes could be implemented in the next financial year.

The Confederation of British Industry said that while it welcomed the attack on fringe benefits, it would be wrong to class every company car as a perk.

Details, Page 17

U.S. move for Stenhouse stake

BY JAMES BARTHOLOMEW

CONTINENTAL Corporation, the diversified U.S. financial group which ranks fourth among U.S. property and casualty insurers, intends to take a 20 per cent stake in Stenhouse Holdings, the British insurance broker, through market purchases.

The investment would cost £6.6m at the price of 87½p per share at which Stenhouse shares were suspended yesterday. But the shares are expected to move ahead substantially now that such a heavy buyer is in the market.

The move follows a series of proposed or actual tie-ups between British and American insurance brokers such as C. T. Bowring with Marsh and McLennan, Sedgwick Forbes and Bland Payne with Alexander and Alexander, and Minet Holdings with Caroon and Black.

This deal is different because the association will be made between a broker and an underwriter. Stenhouse believes that it is breaking new ground in the arrangement which recognises the increasing closeness between broking and underwriting operations.

Although the management of the two companies will be kept separate and Continental will not have a representative on the Stenhouse board, the companies aim to develop areas of co-operation.

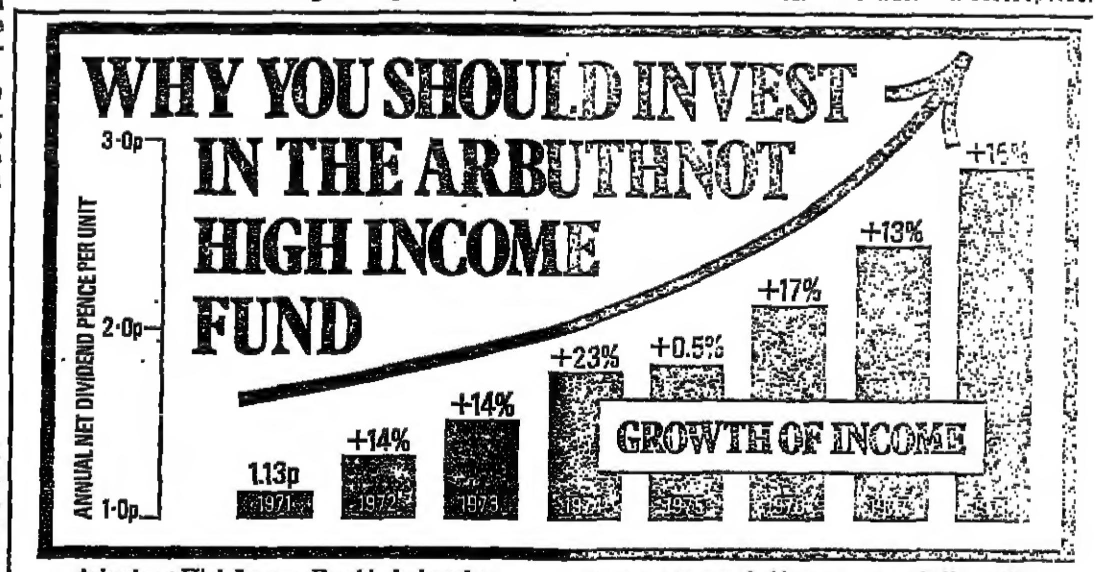
Stenhouse will obtain some of Continental's computer expertise and Continental will use Stenhouse's knowledge of managing industrial companies' in-house insurance concerns. Both will combine in managing a syndicate on the planned New York insurance exchange. Stenhouse claims there is no similar arrangement of a comparable size between other brokers and underwriters.

Continental Corporation—consolidated assets of $7bn — says that its main aim is to buy the stake as an investment. "International insurance broking is a continuing growth sector," said Mr. V. Lee Barnes, an executive vice-president. Possible co-operation was a secondary consideration, the U.S. group said.

It has many minority stakes throughout the world including a 20 per cent interest in Phoenix Assurance, the British composite insurance company.

CONTENTS

For latest Share Index phone 01-246 8026



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OVERSEAS NEWS

Pretoria modifies hostility to Lusaka accord

BY QUENTIN PEEL IN JOHANNESBURG

THE South African Government has modified its initial hostility to the Lusaka agreement for an all-party conference on Rhodesia, but it still has strong reservations about the latest settlement initiative.

The change in attitude is in part a response to the willingness of the Government of Bishop Abel Muzorewa to attend the talks. It also represents a recognition that the first reaction of Mr. Pik Botha, the South African Foreign Minister—that the Lusaka agreement was "deeply disturbing"—might have been too harsh. Finally there is a continuing desire on the part of the Pretoria regime to stay on good terms with the new Conservative Government in London.

Officials in Pretoria say the South African response was *supposed to be "cautiously negative."* Mr. Botha has repeated that he was disappointed with the attitude of Mrs. Thatcher in Lusaka, but he *also stressed* that the response was up to Bishop Muzorewa's Government: "I don't want to make that task more onerous," he told a *National Party congress in* Durban.

The negative reaction still underlies the caution now shown by Pretoria. It is a reflection *of the growing South African commitment to Bishop* Muzorewa's Government, in tandem with the growing desire to press ahead with an internal, rather than international solution in neighbouring Namibia (South West Africa).

Although South Africa has no direct role to play in the initiative, its attitude is still likely to be critical in determining the response of both Bishop *Muzorewa and Mr. Ian Smith,* because of the substantial material and financial assistance it gives the Salisbury regime.

South African officials insist *that their one desire is to have* a stable regime on their borders. As such they are concerned that Bishop Muzorewa should not allow too great a dilution of the *security forces by guerrillas,* or any final scrapping of white minority guarantees.

There is little doubt that Pretoria's vision of a stable regime on its borders is more restrictive than that of the British Government: it would tend, as a *matter of principle,* to exclude any Marxist-inclined government.

Michael Holman adds from Lusaka: Mr. Joshua Nkomo and *Mr. Robert Mugabe, co-leaders* of the Patriotic Front, are expected to announce their acceptance of Britain's invitation to next month's Rhodesia *constitutional conference* when they meet in the Tanzanian capital of Dar-es-Salaam today. But nationalist officials here say that there will be no ceasefire *before the London talks.*

The two men are also expected to hold talks with President Julius Nyerere of Tanzania, Chairman of the Front Line states. Dr. Nyerere, who played a key role in framing the Commonwealth Conference statement on Rhodesia, briefed senior officials of both wings of the front during the conference.

This weekend he is expected to repeat the Front Line belief that Britain's outline of constitutional proposals released earlier in the week are an acceptable framework for discussion.

Mr. Mugabe and Mr. Nkomo have repeatedly called for the complete dismantling of the Rhodesian army and its replacement by guerrilla forces. This will certainly be unacceptable to Salisbury and the issue will be one of the major hurdles in London.

Mrs. Indira Gandhi

Gandhi joins attack on British Jaguar deal

By K. K. Sharma in New Delhi

MRS. INDIRA GANDHI, former Indian Prime Minister, yesterday joined the attack on the proposed purchase of the Jaguar fighter aircraft from British Aerospace, saying it would not meet India's requirements.

The £1bn deal was first criticised by Mr. Raj Narain, chairman of the newly formed Janata (Secular) Party, to which Mr. Charan Singh, the Prime Minister, belongs.

The parties are taking up the issue because of the crucial vote of confidence that Mr. Charan Singh is seeking from Parliament on Monday. He is doing this on the direction of President Sanjiva Reddy, who has asked the new Prime Minister to test his majority as soon as possible.

The Jaguar deal was concluded when Mr. Jagjivan Ram, now leader of the Opposition, was the Defence Minister. His critics are implying that Mr. Ram, who poses the biggest challenge to the ruling coalition, was responsible for buying an "inferior" aircraft for the Indian Air Force. Allegations of pay-offs have also been made.

There is no firm indication yet about which way the vote will go. Mr. Charan Singh has, however, made considerable headway in the last couple of days. Mrs. Gandhi's move to join the chorus of criticism against the Jaguar suggests that she also is opposed to Mr. Ram and so might throw her considerable weight behind the Prime Minister.

Alhaji Shehu Shagari, Nigeria's President-elect

Initiative on Rhodesia praised by Shagari

By Mark Webster in Lagos

THE COMMONWEALTH initiative on Zimbabwe Rhodesia is a "step forward," Alhaji Shehu Shagari, the President-elect of Nigeria, said at his first Press conference since being declared winner of the presidential election.

He also said yesterday that Nigeria would want to be closely involved with any negotiations designed to bring a solution to the territory's problems.

Mr. Shagari has said he will pursue the present military Government's hard line on Southern Africa.

He was elected by a narrow margin after a controversial new interpretation of the electoral law and will take over from the military on October 1.

Two of his opponents in the election—Dr. Nnamdi Azikiwe and Alhaji Aminu Kano—have already protested that the election was unfair. The other two candidates are also expected to protest.

Nigeria's first civilian President after 13 years of military rule is a soft-spoken former teacher from the northern State of Sokoto. At 55, he is the youngest of the five candidates for the presidency and is seen as a compromise as the representative of the National Party of Nigeria.

The National Party fought an extremely able campaign and was the only one of the five contenders which tried to give a truly national character to its membership. It successfully wooed the vote of the minority tribes. The party was also able to win votes in almost all the other states of the federation.

U.S. profits fall in 2nd quarter

By Stewart Fleming in New York

THE PERFORMANCE of the U.S. economy in the second quarter was not as weak as preliminary estimates suggested, the Commerce Department indicated yesterday. Nevertheless corporate profits after taxes declined a seasonally adjusted 2.4 per cent to an annual rate of $128.6bn.

The Commerce Department's revised data showed that real Gross National Product declined at an annual rate of 2.4 per cent in the second quarter compared with a preliminary estimate of a 3.3 per cent fall. The first quarter saw a 1.1 per cent rise in real GNP.

The Department also cut its inflation estimate on a broad GNP-based index from 9.9 per cent to 9.2 per cent. This particular measure of inflation has been trailing other measures such as consumer prices which have been rising at an annual rate of around 13 per cent in the first six months of 1979.

The revision of the second quarter GNP estimates was in line with predictions from private economists, who are also suggesting that GNP in the third quarter will show little if any decline. The Commerce Department is anticipating only a modest decline in third quarter GNP at worst.

Corporate profits, however, are likely to remain under pressure with business expected to find it harder to recoup cost increases by putting up prices.

The 2.4 per cent decline in corporate profits follows a 7.3 *per cent gain in the first* quarter. Compared with the second quarter of 1978, net corporate profits were 13.2 per cent higher.

Safety checks ordered on F-16s

BY DAVID BUCHAN IN WASHINGTON

THE UNITED STATES Air Force is inspecting engine mount bolts on all of its 48 new F-16 aircraft, and General Dynamics, the aircraft's designer and U.S. manufacturer, has requested similar checks be made in four West European countries where F-16s are being part-built and assembled.

The safety checks were ordered by the Air Force after *one mount bolt broke* during production 10 days ago at General Dynamics' Fort Worth plant.

The problem is not dissimilar to the fault believed to have caused the DC-10 crash in May at Chicago, with the loss of many lives, which has heightened sensitivity about air safety. But Air Force spokesmen yesterday dismissed suggestions that the F-16s had been grounded.

Inspections had so far revealed no further trouble, and all the F-16s were expected to be ready to fly again by this weekend, the Air Force said.

The F-16 is an enormous military contract, with the U.S. Air Force likely to buy as many as 1,400, and Belgium, the Netherlands, Norway and Denmark buying and building a total of 348 F-16s for themselves.

Bid to unseat liberal Senators

BY OUR WASHINGTON CORRESPONDENT

CONSERVATIVE activists in the *U.S. have announced that* they plan to spend $700,000 by the end of this year in a media blitz against five liberal Democratic Senators, designed to unseat them when they come up for re-election in November, 1980.

The five who have drawn the ire of the National Conservative Political Action Committee as the "most distasteful" members of the Senate are: Mr. George McGovern, of South Dakota; Mr. Frank Church, of Idaho; Mr. John Culver, of Iowa; Mr. Birch Bayh, of Indiana; and Mr. Alan *Cranston, of California.*

An "independent" campaign of this kind, which will obviously benefit the five Senators' Republican opponents but is not directly tied to them, is not constrained under Federal election spending laws. Nor, the Federal Elections Commission ruled this week, are campaigns on behalf of undeclared Presidential candidates, such as Senator Kennedy. The ruling specifically allowed a Florida committee for Senator Kennedy to raise and spend unlimited amounts of money, so long as *he continues to disavow his* intention of running.

Spanish prices up 2.3% in July

BY ROBERT GRAHAM IN MADRID

SPAIN'S CONSUMER price index rose 2.3 per cent in July, according to provisional figures released by the National Statistics Institute. It is the biggest monthly increase for more than two years and underlines the difficulties of the Government in controlling inflation.

The accumulated rise in the consumer price index is 9.3 per cent this year so far. Officials point out, however, that 0.9 per cent of the increase is accounted for by new prices introduced in July for products such as fuel oil and butane gas.

In stressing the energy component in inflation the Government is attempting highlight what the increased cost for energy will mean.

Even though higher energy *costs are considered to be "imported inflation,"* the accumulated increase in prices this year is worrying. The inflation rate was originally expected to be cut this year from 16-17 per cent to about 12 per cent.

In its economic programme announced on Tuesday the Government forecast a 16 per cent level, but this target must be considered optimistic on the latest evidence.

The July price rise is also bound to fuel opposition by the trade unions to the Government recommendation of a maximum 1.7 per cent mid-year topping-up of wages.

Mammoth Tehran rally to back Palestinians

BY ANDREW WHITLEY IN TEHRAN

WELL OVER 1m Iranians took part yesterday in a mammoth procession through the streets of Tehran, in response to a call by Ayatollah Khomeini to show solidarity with the Palestinians.

A resolution read out at Tehran University, the marchers' destination, called on the authorities to establish closer links with the Palestinians and to crush Left-wingers in Iran.

The rally on the university campus was attended by the visiting Syrian delegation led by Mr. Abdul Halim Khaddam, the Foreign Minister, and by members of the Iranian Cabinet, including Dr. Mehdi Bazargan, the Prime Minister.

Ayatollah Taleghani, the popular Tehran religious leader, in his speech, called on Jews to rise up against Zionism. He said *Zionism was a threat not only* to Islam and Christianity but to Judaism itself.

He referred to the latest outbreak of trouble in the Kurdish region near the Iraqi border, where a Phantom fighter bomber crashed and another was holed by ground fire on Thursday.

He said those who were stirring up the trouble in Paveh, the centre of the unrest, were "the tools of imperialism and *colonialism." According to the* official news agency, Pars, there was heavy fighting in the Paveh district on Thursday evening between Islamic revolutionary guards and "armed attackers."

Pars quoted eye-witnesses as saying that between 13 and 15 people have been killed in the fighting, which began early on Wednesday morning when guards drafted into the area attempted to persuade several thousand Kurdish demonstrators to return to their homes.

Gen. Fallah, the army commander, Mr. Mustafa Chamran, the deputy Prime Minister in charge of the paramilitary security forces, and a man named as Abu Sharif, said to be the head of the revolutionary guards, all flew to Paveh on Wednesday to investigate. According to Pars yesterday they flew into Paveh in three helicopters carrying ammunition for the town's defenders.

In the Tehran demonstration, the Syrian Foreign Minister hailed the success of the Iranian revolution as an event which would greatly help the Palestinian cause. He said it would help to "harmonise the forces in the Middle East."

Although the turn-out for the demonstration was not as big as some of those against the Shah last winter, it was nevertheless an impressive display of solidarity, bringing together all the main political factions, from the Marxist Fedayeen-e-Khalq to their arch-rivals the Mujaheddin-e-Khalq, an ardently *pro-Khomeini militia.*

At a Press conference in Tehran yesterday the Fedayeen restated their policy of peaceful protest against Iran's present political direction, but warned: "We shall never surrender to reactionaries."

A spokesman for the semi-underground guerrillas, who were displaced from their Tehran headquarters on Monday by Islamic militants, said that, as the pressure increased, their organisation would have to think seriously how to meet the challenge.

He said it was the policy of the Fedayeen—on the defensive for months—to prevent any kind of conflict or renewal of attacks on "progressive groups." The Marxist guerrillas oppose the recent curbs on the Press and called for all banned publications to be allowed to publish.

French cut off aid to Bokassa

By Robert Mauthner in Paris

FRANCE yesterday cut off all aid except food, health and education assistance to the Central African Empire, a former French colony. The action followed the publication of a report by an African legal *commission confirming* the massacre of schoolchildren last April in Bangui, the capital.

French aid to the Central African Empire, excluding military assistance, totalled some FFr 100m (£10m) last year. France, the biggest aid donor to the Central African Empire, suspended military aid in May, pending the publication of the report.

A French Co-operation Ministry statement yesterday said that food, health and education aid would be continued because it directly affected the lives of the people of the Central African Empire, who *should not be made to* suffer for events for which they were not responsible.

Alan Mackie in Cairo reports on Egypt's dilemma over development of tourism along its coral reefs

Oil discoveries bring new battles to the Red Sea

JOURNEYING SOUTH along the Gulf of Suez, the desert sky clouds over as the traveller approaches Ras Shukeir from the offshore flares in the oil fields. Behind, on the other side of the gulf, tower the recently returned Sinai mountains with the promise of more oil for Egypt. But beyond the last oil outpost at Gemsa, development of a different kind, indeed almost in direct conflict with oil, is about to be promoted: tourism.

The enormous tourist potential of Egypt's Red Sea coast, with its famous coral reefs, was about to be tapped when the 1967 Six Day War turned the whole of the eastern desert into a war zone. With the signing of the peace treaty, the military's claims on the area have been questioned and the Ministry of Tourism has lost little time in staking its claim—at least to the beaches.

The coast road from Suez to Hurghada has been open to foreigners barely a month now. Skull and crossbone signs denoting unexploded mines still pepper the beaches. But they do not deter Egyptians, and increasingly foreigners, from rediscovering the delights of weekend camping on the beaches around Ain Sukhna, forty miles south of Suez.

Minefields are to be found the length of the Red Sea coast and in the islands, and are a plausible reason why the military are reluctant to let people wander off the beaten track.

Hurghada, the main centre for the Red Sea, is open unobtrusively to tourists, who have been flying in for over a year now. But such have been the restrictions on movement and the limitation on accommodation, that the area has had little appeal for any but the seasoned scuba diver prepared to spend his holiday underwater. Movement on the islands off Hurghada where diving takes place has been severely proscribed by binocular-training soldiers.

Until now the only accommodation in Hurghada has been provided by a small steamer that plies regularly with Gaftan Island off Hurghada for diving, a few chalets in the town and the Sheraton Hotel.

The Sheraton, a futuristic building placed at the end of a point, constructed in the early 1960s and vacant until last year, is to be officially opened in October. However, its 66 rooms, three suites, 19 cabins and 10 chalets are already being used and the opening will be little more than a formality.

Racing against time and a

host of problems, Club Mediterranée intends opening a 200 room tourist village three miles south of the Sheraton in September—the official opening will be November.

As well as a large and well equipped sub aqua station with a training school, it will offer normal Club Med sports facilities like tennis, swimming and sailing. Sheraton, moving more cautiously, will initially only offer facilities for experienced divers. Longer term, however, it has plans for a tourist village of its own with 250 more bungalows, a restaurant and tennis courts, to be completed in 1983.

For the time being, that looks about the extent of expansion—for a number of reasons. Firstly, Hurghada has limited utilities. Water is piped directly from Qena on the Nile. Power supplies are limited. The airport provides easy access to Cairo and there are plans to open an air link with Luxor.

The main fear, however, is that unplanned development will do irreparable harm to the coral reefs. These are already threatened. Indiscriminate use of depth charges by naval patrols has already damaged fish stocks further up the Gulf. Now the discovery of oil poses another threat to underwater life, from pollution and again from detonating charges.

Oil prospecting is, however, a potential rather than an actual problem. It is a stroke of luck for Hurghada that oil has not been found further south than Gema. Mobil has drilled a dry well on a concession just south of Hurghada.

The other mortal danger comes from underwater fishing. Spearing a coral fish can destroy an ecological system that will take 30 years to replace. It does not take much therefore to kill a coral reef.

As it is, an influx of sub-aqua humans will do nothing for the tranquility of the reefs and could affect their fish population.

Mamdouh Ibrahim thinks this is almost inevitable. He sees Hurghada as the staging post for gradual development south towards Safaga and Berenice. As the onshore reefs get used up, so divers will move further out to sea, where there are plenty of spectacular unexplored reefs.

Hurghada has much to gain by conserving the reefs it has close to home. North of Gaftan Island is reckoned to be one of the five best diving spots in the world. Although perhaps not as rich in fish variety as other places, the Red Sea is unrivalled for its flora and fauna. Other plusses are its proximity to Europe and its climate: mild winters and surprisingly cool summers. Indeed, the Sheraton is going to make the season all the year round from 1981.

Tourist Ministry officials are split as to whether to give Red Sea development priority. The cautious see an asset that can easily be irretrievably squandered, the quick developers an would be second only to Egypt's unexploited attraction which would be second only to its *pulling power.*

At heart a policy decision is involved. The classic case is the development of the north coast. There the Government is wrestling with the prospect of uncontrolled development on miles and miles of beach west of Alexandria. These areas have been sold to co-operatives, and if built up haphazardly, would kill any long-term development. As most of the beaches are still untouched, it is not yet too late to do something.

The Red Sea is different because there is not the same private interest—yet. Nevertheless, the pressures are mounting. Siefert International, a *British consultant, has already* presented pre-feasibility studies for a four-stage tourist project on a 7,500-acre site near Club Mediterranée's village.

This would have many of the characteristics of the ill-fated Pyramids Oasis project (which was cancelled because of the strength of domestic opposition and doubts that it was undercapitalised): conference halls, five-star hotels, sports facilities, and specifically for a Saudi clientele who would hop across the Red Sea—a *sanatorium,* apartments, and a mosque.

Ministry of Tourism officials, with the pyramids projects fresh in their minds, want to know *more about the project and its backers* before granting licences. It is well that they are moving with caution.

UK NEWS

Abbey National planning to build houses

BY ANDREW TAYLOR

ABBEY NATIONAL Building Society is holding "advanced negotiations" with a local council over a plan to set up its own housing association.

The move would allow the society to finance housebuilding direct. Like other building societies, the Abbey is prevented by law from owning land or undertaking developments.

Mr. Bob Rendel, Abbey's general manager, said yesterday: "It is no secret that we have wanted for some time to become more involved with house-building, but have been prevented by legislation. A housing association is one way around this problem."

The society had been in touch with several local authorities and talks with one council were "at an advanced stage." A possible site was being considered.

Mr. Rendel said the society wished to fund the association without recourse to government grants and loans under the 1974 *Housing Act.*

Several other leading building societies also wish to take a more positive role in financing private housebuilding, which they have been able to do through mortgage loans only.

"We would hope to see changes in legislation abolishing some of the restrictions on societies, preventing them from going into housebuilding," said Mr. Rendel.

Texan oil expert praises North Sea safeguards

BY ELAINE WILLIAMS

MR. RED ADAIR, Texan oilwell fire and blow-out expert, yesterday said that safety standards in the North Sea were now probably higher than in the U.S.

However, the problem was training people sufficiently to keep those standards, said Mr. Adair who, in the past, had criticised safety precautions in the North Sea.

In 1977 Mr. Adair led the operation to cap the blow-out on the Ekofisk Bravo platform and later helped Britain to formulate a safety policy for oil exploration and production.

He was in London to speak to 200 executives of drilling contractors and oil companies operating in the North Sea about oil well fires and blow-outs.

He returns today to resume work on the Ixtoc exploration well in the Mexican Gulf of Campeche. Following a blow-out in June, the well is still leaking 20,000 barrels (70,000 gallons) of oil a day into the sea causing serious pollution.

Three days ago the Ixtoc well-head, owned by the Mexican State oil company Pemex (Petroleos Mexicanos), claimed its first life when a diver was killed.

Mr. Adair is anxious that work be completed on the drilling of two relief wells to reduce the pressure and stop the oil flow by the third week of September.

He fears that strong north winds which begin in late September could disrupt pumping operations further if the work is not finished soon.

Channel Tunnel study consortium formed

BY LYNTON McLAIN

A CONSORTIUM of construction companies from France, Germany, Holland and Britain has been formed to produce a study of a submerged tube Channel tunnel by next spring.

Initial studies by the European Channel Tunnel Group are understood to call for a road and rail tunnel—with a three-lane motorway—one for heavy lorries—in each direction.

A single-bore rail-only tunnel proposed by Britain Rail and the French national railways is being examined by Mr. Norman Fowler, the Transport Minister.

The tube idea would be cheaper only if it, too, were single function.

The group, in outline, was formed a year ago with Britain's Costain Civil Engineering and the Anglo-Dutch Royal Bos Kalis Westminster Group, helping to back a project based on designs from Imperial College, London, and University College, Swansea.

The small consortium has been joined by the Spie Batignolles construction company from France and the Philipp Holzmann construction company from Germany.

The submerged tube project is one of several ideas, including a bridge, being monitored by the European Commission in its study of the EEC's transport infrastructure.

APPOINTMENTS

Midland Bank post for Lord Cledwyn

Lord Cledwyn has been appointed a regional adviser in MIDLAND BANK with special responsibilities for Wales. As Mr. Cledwyn Hughes he was Labour MP for Anglesey from 1951-79 and Secretary of State for Wales 1966-68 and Minister of Agriculture, Fisheries and Food 1968-70.

★

Mr. James L. Roberts, vice-president, has been named manager of the London branch of HARRIS TRUST AND SAVINGS BANK. He succeeds Mr. Robert E. Vanden Bosch, vice-president, who has been appointed deputy head of the bank's international group. Mr. Vanden Bosch will take over as head of that group on November 15 in place of Mr. Edward E. Bakker, senior vice-president, who will then be responsible for the domestic financial group. Mr. Roberts's position as head of the subsidiary *Harris Bank International Corporation* has been filled by Mr. Robert L. Mello as general manager.

★

Mr. Tim Egan, general manager of Renault Wolverhampton, has been made regional director of the central region of RENAULT UK. He succeeds Mr. Mike Power, who has become regional director, London and the South East.

★

Mr. Hugh Aldous has joined the Board of FREIGHTLINER. He is a partner in Robson Rhodes where he is in charge of special investigations and management advisory services.

★

Mr. Joerg Stegmann has been appointed chairman and Mr. Guillermo Abria, president, of AMC SUDAMERICANA, the company formed by Amalgamated Metal Corporation in Bermuda.

★

Mr. Paul Whitaker has joined the London broker branch of the ALBANY LIFE ASSURANCE COMPANY at 31 Old Burlington Street, W1, as a broker consultant. He will be dealing with brokers in Kent, Surrey and East Sussex.

Mr. John Davidson has taken up an appointment as director of the CONFEDERATION OF BRITISH INDUSTRY in Scotland. He began an industrial career in 1956 with the former North British Locomotive Company in Springburn, Glasgow, moving on to Singer of Clydebank where in 1965 he was head of Singer's organisation and methods department. For the next ten years he worked with Scottish Conservative Central Office, becoming director of information and research in 1970.

★

Miss Felicity Green, managing director and chief executive of VIDAL SASSOON HOLDINGS and a director and executive vice-president of Vidal Sassoon Inc., the parent company, following a restructuring of the group, has resigned from both offices and appointments by mutual agreement.

★

Mr. J. A. Marshall has been appointed a deputy secretary in the NORTHERN IRELAND OFFICE to take effect early in the autumn. He will succeed Mr. R. R. Stowe, who has become Permanent Under-Secretary in the Northern Ireland Office. Mr. Marshall will take over Mr. Stowe's responsibilities as deputy secretary in charge of co-ordination of the Northern Ireland Office, London. Mr. Marshall joined the Civil Service as a clerical officer in 1939. His service has been mainly at the Treasury where he was promoted to Assistant Secretary in 1963 and to Under-Secretary in 1972. He was loaned to the Cabinet Office from 1974 to 1977 when he joined the Northern Ireland Office.

★

Mr. James Thomas has been appointed deputy city architect and planning officer of the CITY OF LONDON CORPORATION from September 10.

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UK NEWS

Spillers raises flour prices by 8%

BY CHRISTINE MOIR

SPILLERS, THE second biggest flour miller in the country, is increasing its prices by an average 8 per cent or £16 per tonne from September 3.

It has already warned its two biggest customers, Ranks Hovis McDougall and Associated British Foods, both major millers in their own right, of the increases.

The rise, which has been brought forward from the autumn, is particularly timely because Spillers is contesting a surprise £73.6m takeover bid from Dalgety, the international agricultural and food merchanting group.

Spillers claims to have 28 per cent of the flour market, and profits from milling now probably account for considerably more than half of group profits after the rescue operation last year when the company closed or sold parts of its loss-making bakery business.

Profit margins on flour had been good until the beginning of this year, but since there have been two devaluations of the green pound which has affected wheat prices and wages have also risen.

Mr. Michael Vernon, chairman of Spillers, admitted a few days ago that profits would be depressed in the first half of the year as a result. This caused analysts to downgrade forecasts of full year profits of £20m compared with £14.7m last when the last remnants of the banking losses were still being borne.

The increase—the first in 17 months — will produce "a revenue recovery on a full year basis of several million pounds," the company says.

It will, however, have an effect only on the second half and in any case will not fully restore margins to the level of the end of last year.

The company says that the increase goes only part-way to recovering costs borne since the last rise and "the situation will have to be reviewed later in the year when the results of the harvest are known."

Liberals expel Cardiff branch

By Robin Reeves, Welsh Correspondent

THE WELSH LIBERAL Party has expelled its Cardiff South East branch for backing the Conservative candidate in this year's general election, in a bid to oust Mr. James Callaghan.

The party's executive committee decided on the expulsion because of the constituency Liberal Association's failure to justify its action, despite two formal requests.

Mr. Christopher Bailey, head of Bristol Channel Ship Repairers and prospective Liberal candidate in the constituency, was expelled from the party in April four days after he decided to stand down just before nominations closed, and throw his weight behind the Conservative candidate.

On paper, this turned the then Prime Minister's seat into a marginal constituency, but Mr. Callaghan won with a comfortable majority of 8,701.

Disciplinary action by the Welsh Liberals' executive against the remainder of the constituency association was delayed, but the association has now been disaffiliated for backing Mr. Bailey's action.

Mr. Bailey was not available for comment yesterday. Mr. Ron Astle, a constituency association committee member, said he was disappointed, but stressed that a formal reaction to the expulsion would not be issued until the committee had had time to discuss it. At the time it seemed a good ploy," he added.

Shipyard cuts that hurt so badly

BY LYNTON McLAIN

THE CUTS in British Shipbuilders' workforce were as inevitable as they are painful.

The only surprises in yesterday's statement by the corporation—confirming the loss of 10,000 jobs—were in the scale of the cuts and the lack of news about the ailing ship-repair business.

The four main groups in the British Shipbuilders' ship-repair sector, Falmouth, River Thames, Vosper and Tyne Shiprepairs, lost almost £20m in the year to the end of March. Some restructuring has already taken place.

River Thames Shiprepairers announced in May a plan almost to halve its workforce, from 1,100 to just over 600 employees. Also the Scott Lithgow Dry Dock closed last year.

With the absence of details about cuts in ship repair in this week's statements, further cuts in ship repair are also inevitable and imminent.

British Shipbuilders had hardly to defend its decisions yesterday. The immediate reasons for the need for cuts in capacity—and that means manpower in an industry that is not highly automated — were clear even before the corporation came into being in July, 1977.

The continued world recession in shipping and shipbuilding, which had its origins in the Middle East war of six years ago, made cuts in capacity unavoidable. Some countries, notably Japan, the world's leading shipbuilding nation, restructured their industries with impressive speed.

Britain, however, failed to take swift action. There was heavy reliance on state aid, not exclusive to Britain but regarded in this country as a way of getting orders which soone r or later would succeed.

However, British Shipbuilders was unable to use all the aid set aside by the Industry Deparement. Only £46.5m out of up to £85m was used in 1977-78 and £15.5m in the year to March.

Orders slipped away—the most embarrassing being the £40m North Sea support vessel for Shel, which went to Finland after the Government refused the £25m to £30m subsidy needed to make the British tender competitive.

However, even before yesterday's five-figure cuts in the shipyard workforce, the corporation had been steadily, and quietly cutting some of its most inefficient and under-used capacity.

Haverton Hill yard on the Tees stopped ship production in March, after numerous long-running disputes, and after the failure to win alternative offshore engineering work. This lack of orders also hit Burntisland Engineers and Fabricators—half of the doomed Robb Caledon—which also stopped production.

This unobtrusive approach to cuts, aided by natural wastage and transfers to buoyant naval work, enablde the corporation to reduce its merchant ship workforce from 38,000 in July 1977 to 28,000 before yesterday's announcement.

Mr. Adam Butler, Industry Minister, said British Shipbuilders would be allowed to lose £100m in the current fiancial year and £90m in the year ending March 1981.

The corporation made a trading loss of £49.5m in the last financial year. The new limits put it in a straight-jacket which only a reversal of the recession, unheard of improvement in productivity, or large-scale redundancies or all three, would ease.

The scale of the plans and the extent of the shift from merchant ships to naval work implicit in the transfer of up to 4,000 employees to the warship yards—which have over £1.5m of work—will only become clear, however, as Mr. Butler's 19 month deadline approaches.

Auriol chairman fights resignation moves

BY ANDREW TAYLOR

MR. MICHAEL CAHILL is to fight action to remove him as chairman of Auriol Housing Foundation which was criticised by the Housing Corporation this week for alleged mismanagement.

In a letter to Mr. Cahill, the corporation has asked him to resign and has threatened to use statutory powers to remove him if necessary.

Mr. Cahill said yesterday that he would not resign. He strenuously denied any suggestion of mismanagement by himself or the staff of Auriol.

"We are now deciding on our next move and I would hope to be able to make a further statement shortly," said Mr. Cahill.

The Housing Corporation, which administers and controls the purse strings of the voluntary housing association, has said it will continue to block new funds for Auriol until a major restructuring of management is carried out.

The Corporation has also said it will use its powers to appoint five new members to the Auriol management committee.

Mr. Cahill said yesterday: "There is no question of mismanagement. This is a disagreement over the best way of running an association.

"We believe that a number of our procedures are more efficient than those of other associations although these are contrary to the way the corporation believes things ought to be done. We have been lobbying the corporation for several years for some of our systems to be adopted generally by housing associations.

"We have regularly achieved a surplus on our operations unlike a number of other associations which have had to apply for revenue deficit grants."

Mr. Cahill said that Auriol operates with a staff of only 13 —compared with a minimum of 50 at other similar size associations—and that the corporation had been trying for some time to persuade Auriol to increase its staff.

The corporation has itself ben embarrassed by the further publication of criticisms, muddles, mismanagement and an "unacceptable level of mistakes" made by some of its senior officers in an internal document produced late last year.

The report, which referred to a crisis of morale, noted that senior officers had been told to monitor the accounts of "easy associations" rather than more complicated ones.

The corporation said yesterday: "This report is now more than six months old and some of the problems identified have now been corrected."

The corporation and the housing association movement have been strongly criticised by the House of Commons Public Accounts Committee for failing to vet and monitor accounts adequately. The corporation had earlier announced a £5.2m deficit in its 1977-78 accounts.

More coal for power plants likely

By Elaine Williams

A NEW PLAN for the long-term supply of coal for electricity generation is likely later this year.

Talks have been going on for several months between officials of the National Coal Board and the Central Electricity Generating Board.

However, the final meetings scheduled later this month could lead to a draft agreement which would give the NCB more security of demand to enable it to plan its huge expansion and investment scheme.

The NCB would like the CEGB to hold a higher level of stock to prevent massive fluctuation of several million tonnes of coal which has happened in the past.

The NCB says that higher stocks are justified because the CEGB has had to reduce its oil consumption.

Another grim twist to the tale of Upper Clyde

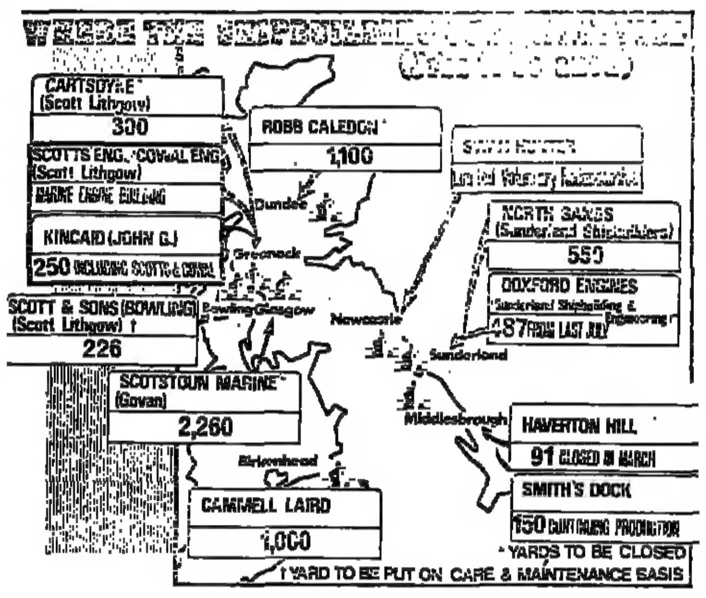
BY RAY PERMAN, SCOTTISH CORRESPONDENT

SEVEN YEARS ago, a demonstration in Glasgow of men from the collapsed Upper Clyde Shipbuilders brought tears to the eyes of Mr. John Davies, then Trade ind Industry Secretary.

The sight of workers demanding that he allow them to go on building ships was too much for the man who had believed that lame ducks should be put out of their misery.

Yesterday, many UCS veterans met again beside the Clyde, at Govan, and renewed the pledge that they would resist the closure and rundown of yards in which many of them have served all their adult lives.

This time it is not a question of a work-in, quite the reverse. Work is running out and all that the labour force can hope to do is delay the closure of Scotstoun Marine, smaller of the two yeards that come under the Govan Shipbuilders management, and the trimming of 1,000 jobs from employment at the main yard.



Contraction

The breathing space they hope to gain by preventing the completion of ships still on the slipways will give their unions the chance to try to persuade the Government to follow the example of its predecessor in 1972 and abandon the policy of letting the weak go to the wall.

The Govan and Scotstoun areas, which face each other across the Clyde, have suffered badly from closures and contractions. The west side of Glasgow and the town of Clydebank, across the city boundary, have seen many big employers disappear in recent years.

Goodyear Tyres, Weir Pumps and Beattie's Biscuits have all gone. Singer has reduced its workforce to a fraction of the figure a few years ago. A question-mark hangs over the future of Marathon—another former UCS yard, which, ironically, had "lent" outfitting tradesmen to Govan to speed up work on the Polish ships contract.

They are depressing and disturbing areas. The casual visitor sees a mixture of half-demolished tenement blocks and post-war housing estates of horrifying ugliness, embellished by spray-painted slogans and boarded-up windows. Many streets have up to half their male inhabitants out of work already.

Those who take Sir Keith Joseph's advice to get out and find new jobs in more promising areas leave behind people less able to cope with the harsh realities of urban life: the old, the infirm, one-parent families, those not prepared to break their ties, and, it must be admitted, the work-shy.

Local authorities, crippled by huge capital debts that, in Glasgow, absorb more than 40 per cent of the annual income, are trying vainly to push back the tide. The Government, with prior warning of British Shipbuilders' intention, left each of the four places in the UK in which yards are to be closed as Special Development Areas when it recently reviewed its industrial attraction policies.

The Government, in announcing heavy reductions in Labour's plans for moving Civil Service jobs out of London, has also decided that "to meet the particularly pressing needs of Glasgow," proposals to move 2,000 posts to the area will continue.

But it is hard to see that those measures will make much difference on the Upper Clyde. The empty factories remain empty, grim industrial mausoleums, and the atmosphere of decline deters possible investors.

The recent experience of the Clyde in trying to win more work for the offshore oil industry hardly inspires confidence in British Shipbuilders' proposal to diversify in that direction. But, if the plan goes ahead in spite o fthe men's resistance, at least Yarrow, the profitable naval yard beside Scotstoun, will keep shipbuilding alive in an area where it is as much a part of the social as the economic fabric.

No such remnant will remain in Dundee, where the closure of the Robb Caledon yard will end a century of shipbuilding. The shop stewards' convener described the reaction there yesterday as "total hysteria."

Regeneration

Dundee, once a centre for engineering, has seen its traditional industries decline and some of the new hopes that came to replace them run into difficulties. NCR, for example, has shed 5,000 jobs since its boom period after the changeover to decimal coinage.

The city faces difficulties similar to Glasgow's, but on a smaller and more manageable scale. In the past 10 years, it has almost completely renewed the commercial centre, making it more attractive to shops and customers. Hope for the future lies in increasing involvement in new industries such as electronics and oil servicing. The dockside area already has several North Sea supply bases.

Greenock—where Cartsdyke and Scotts of Bowling yards are to shut, and other jobs lost at two engine-builders, John G. Kincaid and Scotts Engines—also has a hope for industrial regeneration outside the activity that has traditionally been its main employer.

IBM, which has had a plant nearby for 30 years, has been steadily increasing its labour force and this month began building a £20m extension. National Semiconductors has announced a £45m expansion that will mean another 1,350 jobs over the next five years, and the Greenock area is well placed to attract other U.S. electronics companies.

It is a big leap from the welding torch to the printed circuit, but nothing better illustrates the structural change facing shipbuilding areas and many former shipyard workers have shown that they are prepared to make it.

Commonwealth new town talks

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

TWENTY-EIGHT countries will be represented at a Commonwealth New Towns Conference in East Kilbride, near Glasgow, in September. Uganda is the latest country to commit itself to the five-day meeting which will be attended by more than 170 delegates.

Only 20 of the participating countries are from the Commonwealth. The other eight are Egypt, Finland, France, Indonesia, Japan, Netherlands, the Philippines and the U.S.

The idea of a new town has attracted considerable attention around the world. Some 32 have been designated in the UK since the passing of the 1946 New Towns Act.

The conference is being oragnised by East Kilbride Development Corporation in conjunction with the Commonwealth Foundation. Mr. George Young, the corporation's managing director, has said "the conference is drawing together Commonwealth expertise in a critical examination of new community developments, to benefit individual countries' future approach to new development projects."

East Kilbride, one of the first new towns to be designted, was created in 1947, and has been one of the most successful.

Its purpose was to rehouse and find jobs for people essentially from Glasgow and north Lanarkshire, which had been badly hit by the war and the inter-war depression.

LABOUR NEWS

Vauxhall plant chief warns workforce over productivity

BY RHYS DAVID

EMPLOYEES AT Vauxhall's Ellesmere Port plant, Cheshire, have been warned that falling productivity standards must be raised if the factory is to secure its share of General Motors' European expansion plans.

The warning came in a message from Mr. Don Vallance, plant manager, on the resumption of work this week following the summer shutdown.

Mr. Vallance, who was drafted to Ellesmere Port by General Motors last year to raise output, said progress in the early months of this year towards the target output of 100,000 units a year had recently been reversed.

He criticised pessimism among some of the plant's 10,000 employees. "Doubts have been expressed about Ellesmere Port's future and many employees are clearly worried about medium to long term prospects. There is a great future for all of us here provided we can meet the continuous demand for our products."

He also expressed concern over a growing incidence of industrial disputes falling outside procedure, which he said were preventing the factory from producing on time and in sufficient quantity.

● The increased penetration of imported vehicles into the UK market cost ICI's Mond division, based mainly in Cheshire, £5m in sales in the first half of 1979, an estimated £10 per imported car.

● At Chrysler UK's Linwood car plant, another 1,500 workers were told yesterday not to report for work on Monday, bringing the total laid off this week to 5,000. Only about 1,500 remain at work.

● A union bid to end the "togging up" strike which has hit production at four BL car plants in the Midlands was launched yesterday. Exemption from a national overtime ban is being planned for the 120 strikers, to get them and more than 6,000 others laid off by the dispute back to work early next week.

● At Vauxhall's Luton plant, production of Carlton and Cavalier cars with an estimated showroom value of £300,000 was lost following a dispute involving internal drivers.

North Sea catering strike ends

THE THREE WEEK strike, by North Sea catering workers is over after the employers and the Transport and General Workers Union and the National Union of Seamen met yesterday in Aberdeen.

After three hours of discussion the employers said a basis for agreement had been reached in response to an improved offer including bonus payments and life insurance cover.

Both sides anticipated a swift return to normal working and already catering workers are being flown offshore to resume their duties.

The picture was not so bright on Thursday, when talks broke up and there was a danger the dispute would affect the flow of oil. But shortly after the breakdown union officials announced a recommendation to the catering workers to return to work.

The initial pay claim was £600 a month against an offer of £440.

GEC strike continues

A STRIKE at GEC's power engineering complex in Stafford has entered its third week with little prospect of an immediate return to work.

The 1,800 hourly-paid workers, who want an overall 20 per cent wage increase, have been picketing the company since the beginning of the month.

Management wants the claims dealt with on a divisional basis. The site houses 11 product companies.

At the beginning of the week, the group registered a formal "failure to agree." It is seeking individual company agreements and has refused to continue to recognise the joint shop stewards' negotiating committee.

The next stage, normally, is for a meeting with union officials in Birmingham, but management and unions have failed to meet.

Workers at GEC Turbine Generators, one of the largest companies on the site, have been warned that if the strike continues, jobs will be in jeopardy.

The unions say that the strikers are determined to continue their action.

Former chaplain to Queen dies

THE Bishop of Sheffield, the Right Reverend Gordon Fallows, died yesterday. He was aged 66.

Mr. Fallows announced in May that he would retire at the end of this year because he was suffering from Parkinson's disease and cancer. He was Bishop of Sheffield from 1971 and had served as Clerk of the Closet to the Queen, the chief appointment in the Queen's eccleciastical household. In 1968 he became Bishop Suffragan of Pontefract. He had been a parish priest for 23 years.

Housing plan criticised

THE Association of Metropolitan Authorities has expressed concern over the Government's plans to offer shared ownership to council house tenants.

Mr. John Bradley, the association's chairman, said in a letter to Mr. John Stanley, Environment Under-Secretary, that while he welcomed many of the changes proposed he "would not like to see the statutory right to buy etxended to shared ownership without very detailed examination of all the implications."

"That would pose special problems such as the responsibility for maintenance.

Other problems would arise if a tenant wanted to move. It would have to be decided whether the council would want or would have the resources to buy out the tenants' share, said Mr. Bradley.

Times SOGAT branch settles

TIMES NEWSPAPERS said yesterday it had secured full operating agreement with another branch of the Societey of Graphical and Operating Trades, leaving only one SOGAT branch to settle.

But the publication of The Times and Sunday Times, suspended for nearly nine months, could be delayed many weeks by resistance from branches of the National Society of Operative Printers, Graphical and Media Personnel to the terms of an interim agreement.

Cammell Laird's job losses deepen Birkenhead gloom

BY RHYS DAVID, NORTHERN CORRESPONDENT

WHEN BIRKENHEAD began its period of rapid growth in the 19th century it was intended that it should develop as a model industrial city, the booming port-related industries supporting a high standard of housing laid out in a grid pattern and crowned by splendid public buildings and amenities.

But 100 years later the announcement of a further 900 job losses at Cammell Laird's shipyard falls on a careworn town, where de-industrialisation and inner urban area problems are marching hand in hand.

Of the street grid only the famous Hamilton Square survives, and where earlier authorities planned model housing their successors are proposing to pull down council blocks built 20 years ago and still laden with debt.

Chipped away

Cammell Laird has progressively reduced its labour force from 8,600 in 1968 to the present 4,300, and the latest cuts will reduce it to 3,400. Last year Western Shiprepairers on an adjacent site shut with the loss of 625 jobs, and the labour force in the Birkenhead Docks—part of the Mersey Docks and Harbour Company — has also fallen substantially over the past 10 years.

Local people who have worked across the river in Liverpool have hardly fared any better, with large chunks of Merseyside's industrial base being chipped away over the past two to three years.

Birkenhead's unemployment rate is about 12 per cent, roughly the same as for the Merseyside special development area as a whole, where some 100,000 people are now out of work. On some council estates, according to Mr. John Thompson, the deputy director of figure can, however, be as high as 30 per cent.

Other threats to local employment loom. About 6 per cent of the labour force at Shotton Steelworks, where 6,000 jobs are due to disappear from the end of this year, live in the Wirral.

Productivity

Kelvinator at Bromborough, just outside Birkenhead, warned this week of possible redundancies among its 560 labour force because of declining sales of its refrigerators, and, even more ominously, the plant manager at Vauxhall's Ellesmere Port plant has warned his 10,000-strong workforce, many from Birkenhead, of the need for improved productivity.

The measures so far aimed at reviving the older port areas of Birkenhead and Wallasey have included the full panoply of Government grants and a programme of advance factory building now due to be supplemented by new council-built units. A number of successes have also been achieved with a variety of small companies in clothing, motor components engineering and other sectors taking up space.

Other bigger concerns, such as Cadbury, Schweppes, E. R. Squibb, Stone Platt, Pfizer, Allied Polymer, are also going ahead with expansion programmes at their factories in the area.

The problem, however, as Mr. Thompson points out is that the job gains as a result of all these efforts tend to be in dozens while the losses are in hundreds.

The effect of the latest Cammell Laird cuts will be seen in the dole queues, in the further rundown of older suburbs, and in increasing pressure on social services. As in Merseyside generally, the longer-term impact will be a further shift in population away from the older industrial centres to other parts of the county and beyond.

Much of the industrial growth in the area is taking place just outside Merseyside in Cheshire, where industry has been able to take advantage of green field sites close to modern housing estates and to good communications.

Advantage

GEC-Fairchild, for example, is creating up to a 1,000 jobs at a new microprocessor plant at Aleston and a major expansion of its reprocessing facilities is planned at Warrington by British Nuclear Fuels. GEC-Schreiber is also building a 450,000 square feet factory at Runcorn to expand production of furniture and is expected eventually to employ about 1,000 people.

For the North-West these developments will go some way to offset the losses in traditional industries such as shipbuilding.

Many of the jobs that are being created will require a high level of skill or will be for women. They are unlikely to do much to alleviate high rates of male unemployment in Birkenhead.

Axe sinks deep in the North-East

By Rhys David

AS ON MERSEYSIDE, the closure in the North-East will affect an area already badly hit by high unemployment and the decline of traditional industry.

In Sunderland, where 550 men will be made redundant at the North Sands yard, unemployment has been climbing sharply this year, from 11.1 per cent in May to 12 per cent in June and 12.7 per cent in July. Male unemployment is 14 per cent.

There is some relief, however, that in the latest round of cuts in the industry labour force, the North-East has retained most of its capacity.

Important

The cuts at Sunderland, following the closure of the Haverton Hill yard at Middlesbrough, means that the Tyne has consolidated its position as the main shipbuilding centre in the region, concentrating on naval work and employing about 20,000 people in shipbuilding, ship repair and engine building.

Sunderland remains an important merchant shipbuilding centre through Austin and Pickersgill, one of the few viable units in the British Shipbuilders' group.

NALGO delay

A DECISION whether to call industrial action by health service area and district works officers, following the breakdown of pay talks, was yesterday deferred to next month by the National and Local Government Officers Association.

THE WEEK IN THE MARKETS

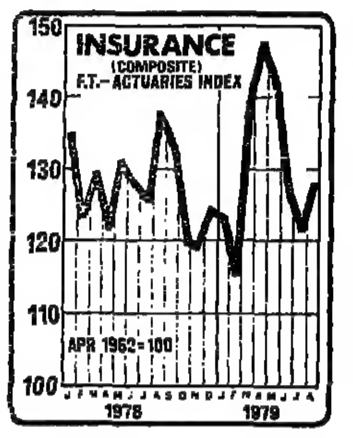
Swallowing a surfeit of stock

Once again the gilt-edged market and its remarkable capacity for swallowing new issues have held the centre of the stage. Equities, although occasionally faltering, have continued their modest recovery.

At the end of last week it looked as though gilt-edged were in for a fairly drastic bout of indigestion. The recall of special deposits by the Bank of England on Monday guaranteed a tight money market for a couple of days. Institutional liquidity is run down and there was a new tap stock—Exchequer 11½ per cent 1984—to absorb demand. But the market showed extraordinary resilience.

Enough of the new stock was sold on subscription on Wednesday for the rasher elements in the market to be tempted to try to buy out the remainder the following day. But the Government Broker kept his prices relatively high, and though a further substantial slice was sold at a premium, there is still some stock in official hands.

Had the stags succeeded in buying out the tap, gilts would have moved ahead sharply. But as they failed, the market lost some ground, and the disappointing retail price figures yesterday morning — investors were ready for 3½ per cent but not 4½ per cent—brought some selling of sterling and made matters worse for gilts. The buying of equities, which had been taking a lead from gilt-edged, fell off and the FT 30-share index relapsed after having gone above 480 at one stage on Thursday.



FIFO financing

Forced by UK fiscal regulations to adopt the First-in First-out (FIFO) method of inventory accounting, Shell may be finding it difficult to respond to OPEC countries' criticisms of high oil company profits. In the half year to June 30, the Royal Dutch/Shell Group of companies produced net income of £1.3bn against £394m.

If an advance on this scale was enough to make an oil sheik blanch, Shell was at pains to point out during the week that stock profits and, to a lesser extent, currency translation gains, were entirely responsible.

LONDON
ONLOOKER

Most international oil companies, with the exception of British Petroleum, use the Last-in First-out method of inventory accounting (LIFO) which means they are refining and selling oil purchased at the latest available price. Shell, however, sells oil which has been in stock for the longest duration and, in an era of sharply rising prices, this inevitably produces a significant stock profit.

Stock profits at the interim stage, Shell calculates, amounted to £400m, of which some £280m fell in the second quarter. In addition, currency translation gains totalled £134m and £57m of that gain accrued in the April-June period. So the real rate of improvement at the halfway mark was only 23 per cent and, at around £375m, net income in the second quarter was some £50m down on first quarter levels.

One hopes that this message has been received by OPEC members for the oil company needs to build up supplies. Stocks have run down to the minimum safe operating level of 71 days and the group needs a further 20m barrels to return to the level of inventories held at this time last year.

Capital spending in the first half of 1979 amounted to £1bn and a further £900m was invested in necessary increases in working capital.

Stalking Spillers

It has been a hard week for Mr. David Donne and Mr. Andrew Turner, chairman and chief executive of Dalgety. Their long rumoured bid for the Spillers food group this week has not been greeted with acclaim by the financial pundits. More seriously, it immediately prompted the resignation of one of its non-executive directors, Mr. Alfred Singer, a well-respected City figure. Spillers, too, is not keen on a deal, although its rejection note was not couched in a particularly hostile fashion.

But the battle for control is only just starting, and Dalgety has got all its cards to play. Suggestions that the terms are too low are roundly rejected by Mr. Turner, mainly on the grounds that they would give Spillers' shareholders a dividend increase of 53 per cent.

That is only because Dalgety itself is forecasting a very big dividend increase for the year which has just ended. But Mr. Turner stresses that the decision to increase the payout was taken at a Board meeting last Friday, before the directors got down to working out the offer for Spillers. The payment is well covered and is justified in its own right, he maintains.

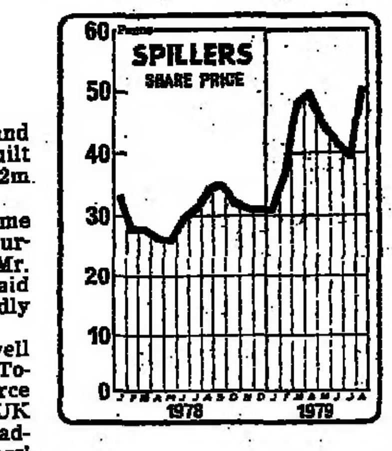
There is no denying that a successful bid for Spillers would represent a very big mouthful indeed for Dalgety. It would have to increase its equity by more than a half under the present terms. But as Mr. Donne points out, Dalgety has a rather good record when it comes to take-overs. In the past decade, its purchases in the UK have taken it into malting, animal feeds chemicals and other areas: just about all the companies it has bought have flourished, and profits in the UK have been built up from nothing to over £12m over the period.

In the U.S. it has had some problems with one of its purchases. But, according to Mr. Donne, the group has now paid its entry fee and is soundly based.

Dalgety and Spillers fit well together in several areas. Together, they would be a force to be reckoned with in UK animal feeds, and in grain trading and merchanting. Spillers' recently acquired subsidiary in the U.S., Modern Maid, would benefit from a closer association with Dalgety's existing food production and distribution interests in North America.

So far so good. But the big uncertainty concerns Spillers' flour milling operations, which is far and away its most important activity. Yesterday's flour price increase does not make any difference to the long-term outlook for this activity which is, at best, uncertain. Highly profitable in recent years, the returns in this keenly competitive business are likely to be much lower in the future, especially now that Spillers has pulled out of its loss-making bread side.

The bid arguments are going to revolve around the future of Spillers' milling business. Meanwhile, Dalgety is keeping its head down—and Spillers' shareholders should take no action.



Tube tumbles

Shareholders could not have been pleased at the decline in pre-tax profits at Tube Investments, announced this week. The drop by one fifth from the first half in 1978, from £37.9m to £30.4m, resulted from a variety of problems, domestic and foreign.

The group's first quarter profits were much lower than last year's, partly because of the road haulage strike and harsh winter weather problems. But things did not get any better when an increasingly strong pound hindered recovery in the second quarter.

The group's chairman warned at the annual general meeting in May that profits would be down for the first half; but he may not have been thinking of a drop of nearly 20 per cent.

He may, however, have been referring to the major problems which have faced Tube Investments in Nigeria and Iran. Exports suffered in the former as a result of depressed market conditions. Bicycle sales to Iran were also seriously affected by the disruption there. Thus, the group's cycle and toy division moved from a profit of £5.7m in the previous half to a loss of £1m this year.

The group has also been plagued by falling margins in the steel tube and steel sector, which employs more of the company's assets than any other division and accounts for approximately 30 per cent of external sales. As one analyst pointed out, the combination of lower margins, a stronger pound and flat volume is less than inspiring.

Nevertheless, the group put its interim dividend up by 14 per cent this year, and this can be taken as some consolation. Further, the share price hasn't suffered much, hovering around 330p, with an attractive yield of over 10 per cent possible if the final dividend is increased along the lines of the interim.

Composite caution

UK insurance companies are not going to shake off the effects of last winter's severe weather in a hurry, according to the half-yearly figures of the three major U.S.-orientated composites, Commercial Union, General Accident and Royal. Although a much better picture was shown in the second quarter, which was free from inclement weather and any major natural disaster, their half-yearly results were well down on 1978.

Insurance business in the U.S. is now firmly into the next downswing of the cycle and even the Royal admits that companies cannot buck this trend. Underwriting losses seem inevitable even under normal weather conditions. Trading conditions were much better in the UK in the second quarter. CU managed to offset its first-quarter losses and show a small profit on the half-year, and Royal almost made it. But GA, with its large motor account, was still experiencing problems.

In general all three composites over the rest of the year should at least break even on underwriting. Investment income, meanwhile, remains buoyant. But at the end of the year, pre-tax profits of GA could be unchanged at £90m, but both CU and Royal are likely to show declines, CU from £142 to maybe £136m and Royal from £153m to around £135m.

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. index	474.2	+ 4.2	558.6	446.1	Little more buying interest
Bougainville	130	+11	171	100	Increased dividend and profits
Clifford (Chas.)	123	+12	134	111	Sharp int. profits recovery
Conzinc Riotinto	216	+20	318	170	Strength of Australian markets
Dale Electric	129	−12	168	129	Profit margins warning
Fairview Estates	236	+30	236	139	Persistent speculative demand
Gelfer (A. & J.)	51	+ 8	60	38	Good interim results
General Mining	550	+85	640	355	Johannesburg demand
Hall Engineering	147	+14	158	104	Sale of Bidston Steel
Hawker Siddeley	182	−16	278	178	Broker's re-rating
Leyland Paint	59	+11	80	43	Renewed buying interest
Manganese Bronze	47	+ 9	74	35	Speculative demand
Nat. Carbonising	83	+14	83	40	Favourable Press comment
Rush & Tompkins	157	+12	161	99	Asset value considerations
Silentnight	75	+17	90	56	Favourable Press comment
Spillers	50	+11½	51	30½	Dalgety share exchange offer
Stocks (J.)	195	+25	195	135	...Annul results due next Thursday...
Turner (W. & E.)	51	+ 6	54	41	Interim profits upsurge
Wellman Eng.	59	− 7	75	44	Redman Heenan bid lapses
Wholesale Fittings	400	+37	400	222	Recent good results

U.K. INDICES

Average week to	Aug. 17	Aug. 10	Aug. 3
FINANCIAL TIMES			
Govt. Secs.	73.79	73.41	72.55
Fixed Interest	74.66	74.11	73.65
Indust. Ord.	475.8	467.5	455.0
Gold Mines	167.4	158.3	150.6
Do. (Ex $ pm)	148.6	145.5	138.6
T'tl. bargains	15,651	16,971	15,101
FT ACTUARIES			
Capital Gds.	247.85	214.32	234.43
Consumer (Durable)	236.23	228.74	222.38
Cons. (Non-Durable)	242.03	238.25	229.37
Inds. Group	241.01	235.73	228.02
500-Share	273.17	269.70	261.24
Financial Gp.	192.26	188.40	181.75
Al-Share	250.09	246.13	238.32
Red. Debs.	58.44	58.18	58.18

On a rising note

FOR THE moment the ayes have it. On Wednesday the Dow Jones Industrial Average set a new peak for the year on trading volume which was the highest since last November 1. The Transportation and Utility Averages moved in unison and recorded their best performance while the secondary stocks have maintained their bull market which got under way last year. The American Stock Exchange Composite Index's close on Wednesday of 208.11 was the 30th time it had established a new record this year. Over the counter stocks as measured by the NASDAQ averages were also at a new high and the NASDAQ composite was 24 per cent higher than its 1978 close.

Since then prices have given a little ground, but not a lot in the face of an increase in the commercial banks' prime rate from 11¾ per cent to 12 per cent, a push in the Federal Reserve Board's funds rate target from 10¾ per cent to 11 per cent and an increase in its discount rate from 10 to 10½ per cent. Rising short term interest rates, it is a truism to say, are bad news for stock prices. But the market this year has stoically taken each increase in its stride, largely out of the belief that each brings closer the day when interest rates will peak and then start to fall allowing the world to get down to the serious business of buying stocks in earnest.

But August is often an odd month. In this same week last year, the Dow broke 900 for the first time despite a heavy run on the dollar, an increase in the Fed funds rate from 7¾ per cent to 8½ per cent and a boost in the discount rate from 7¼ per cent to 7¾ per cent. Then came the September retreat which gave way to the October rout, leaving the Dow at 795 on the last day of that month. The explanation then was a crisis of confidence in the Presidency, a gangrenous dollar, rising inflation and climbing short-term interest rates.

The external pictures now is only marginally better, with historically high inflation and high short-term rates front-line negative factors. But Merrill

JOHN WYLES
NEW YORK

Lynch's stock analysis, who use a variety of tools to measure investors' sentiment, believe that the current rally is a correction of an unusually high pessimism which could be discerned only three or four weeks ago. Merrill believes that prices will go still higher before falling back later in the year. They attribute an important role in the current spree to owners of so-called "put" options who invest on an expectation of falling prices. As prices have tended to climb in the past two weeks positions have been unwound and demand created for the underlying stocks. Further impetus has come from the performance-oriented institutions, those who aim at least to match portfolio appreciation with that of the broad market. As prices have started to climb these institutions have stepped up their purchasing, reinforcing the basic trend.

Despite the volume figures, however, Merrill Lynch counsels against the assumption that the major institutions are piling into equities. Considerable scepticism abounds and many it seems have been selling into the rising market.

But the greater institutional participation has strengthened demand for traditional blue chip issues, particularly in the office equipment and high technology areas. Thus Honeywell, NCR, Texas Instruments and National Semiconductor have done extremely well. With the Salt 2 treaty grabbing the headlines many investors have assumed that President Carter will have to spend more on defence to win Senate ratification.

As a result General Dynamics, Boeing, Northrop and other defence stocks have been very popular. The run for cover by owners of put options has had an important impact on the cosmetics stocks with Avon Products and Cheeseborough-Pond showing important gains. Airlines, meanwhile, are also back in favour led by Continental and Western, whose merger was vetoed by the Government, in the forefront.

CLOSING PRICES

Day	Close	Change
Monday	875.26	+8.20
Tuesday	876.71	+1.45
Wednesday	885.84	+9.13
Thursday	884.04	−1.80

COMPANY PROFILE
LETRASET
RAY MAUGHAN

LETRASET INTERNATIONAL, a stockbroker observed during the week, "is the IBM of the type transfer and instant lettering systems market."

The group may have summarised its own characteristics best when, in 1974, searching for the right diversification path and having been through the thorough analysis of a Harvard Business School case study, it identified itself as a "small public company with low fixed assets, international, operating in a small market with no large competitors or international corporations present whose products have a high gross margin and are internationally applicable, small and light and therefore easy to ship around the world."

From humble beginnings in a Soho workshop 20 years ago, the group has expanded to the point where profits for the year to end-April last had climbed from £7.41m to £10.5m. Letraset probably controls 95 per cent of British lettering systems sales and a network of overseas agents, which the group often buys out to form subsidiaries, has captured perhaps 30 per cent of the U.S. and around 75 per cent of European markets.

Letraset's acquisitions have not always been appreciated in every quarter. Its share price, for instance, has dropped by a fifth since the Randall deal while the stock market has risen by the same proportion over the period. While Randall was seen essentially as a useful rights issue alternative, providing realisable equities and properties worth over £10m, Stanley Gibbons is cash hungry as Letraset's £9m rights issue call during the week emphasised.

A substantial part of the proceeds, the group explained, will be used to finance the largest deal in philatelic history, the purchase of a £4.4m collection of U.S. stamps and covers from a Wall Street banker, Mr. Marc Haas.

Stanley Gibbons, which forecast profits in excess of £2m against £1.56m pre-tax last year, stands to make a significant contribution to Letraset's earnings.

Yet while many of the stamp dealer's operational characteristics mirrored Letraset's 1974 vision of itself, the instant lettering and rare stamp markets are a world apart and Letraset may be discovering the high cost of financing some of the valuable collections which a prominent dealer must inevitably be offered. Like Nissen, major collections are sold slowly to maximise their worth.

Letraset's net cash of £1.7m last year had been transformed into borrowings (before the rights issue and after the Haas purchase) of £15m. Net worth is £16m.

The stock market is wondering whether the high cost of rare collections and their slow stock turn will precipitate periodic cash calls from now on. The City is also asking itself whether stamp dealings profits are less reliable than instant letterings earnings and, finally, whether Letraset bought at the top of the market.

The last point is almost impossible to answer. A recent survey by Salamon Brothers showed that the appreciation of rare stamps (and gold) since 1972 has exceeded all other forms of investment. The only pointer to the likely continuation of this performance is, perhaps, the rising rate of U.S. inflation which may make the search for a hedge that much more pronounced.

Gibbons is now expanding "downstream into the second line stamp market, unlocking an enormous market among amateur collectors which the dealer does not at present really tap," as another broker put it. That should reduce the financial strain of holding rare collections and the group points out that high quality stocks will only be replenished as the Marc Haas and Nissen collections are sold.

Profits from Nissen will almost certainly contain a high windfall element and the resultant earnings may be seen as of less than the highest quality. But while Nissen was massively undervalued and its true worth was only estimated when its contents were uncovered, Marc Haas was meticulously catalogued.

Living on the sunny side of the street

IF INSURANCE can be said to be a business for those with a pessimistic turn of mind in that they must constantly assess the chances of the worst happening, the mining game is surely one for the optimists who need to have perseverance and not a little luck.

Something like only one out of every 200 exploration prospects leads to a major mine turning up — sometimes I wonder why there has never been a company called Micawber Explorations—and even then the operation has often to live with the fluctuating fortunes of a single product.

The recently commissioned Australian study of mining investment came to the conclusion that it was no more profitable than the less risky industrial sphere. But when a mining venture really succeeds it does so in a spectacular manner and the hope of achieving this spurs on the mining optimists. Without them the industry would be in a parlous state indeed.

A good example of this is the platinum industry which has certainly had its ups and downs. Over the past two years, however, the mines have returned to prosperity in line with the metal price which has risen against a background of rising demand and a cessation of the important sales of Russian platinum which previously weighed heavily on the market.

MACH 51

In recent years the expanding demand for platinum has been largely in the Japanese market for jewellery and in the requirements of the U.S. automobile industry which uses the metal in its exhaust control devices.

Quite apart from the question of when, if ever, Russian metal will return in major quantities to the West, the platinum market also has to assess the possible effects of the oil price induced world economic recession that everybody is talking about.

MINING
KENNETH MARSTON

And free market platinum prices have eased.

South Africa's **Impala Platinum** is taking an optimistic view. Reporting net profits for the year to June 30 of R69.7m (£37.5m) against R33.4m a year ago, the group has announced a further increase in capacity to meet the already notified maximum contract requirements of the automobile industry.

This will mean a rise in capital expenditure from the past year's R30.6m to around R45m-R55m in the current year and not less than R35m-R40m in each of the next two years. The group is thus pinning its faith on these maximum requirements being taken at satisfactory prices by the automobile industry.

Inevitably this burden of capital expenditure will slow the hoped-for rise in dividends over the next few years. Although Impala shares are now yielding a good 12 per cent, there has been no rush for them while even better returns are offered on South African golds.

A good deal of optimism is also being generated about the demand for uranium, notably in the mid-1980s when **Western Mining's** business manager, Mr. L. J. Duncan, anticipates an increasing world demand for Australia's uranium oxide. In the nearer term, however, the market for the nuclear material may not be all that strong.

For one thing it may have to absorb not only the potentially big production from Saskatchewan and Australia but also the 17m lb that **Rio Algom** was to sell to Tennessee Valley Authority over the years 1979 to 1990.

TVA is trying to void this contract—partly as a result of the Westinghouse Electric Corporation anti-trust litigation—and Rio Algom has said this week that it is suing TVA for damages of C$600m (£229m) for breach of contract.

Meanwhile, Canada's **Denison Mines** is reducing its dependence on uranium by making a U.S.$525m (£236m) bid for America's **Reserve Oil and Gas** — a reversal of the current trend for oil companies to move into the uranium and coal mining scene.

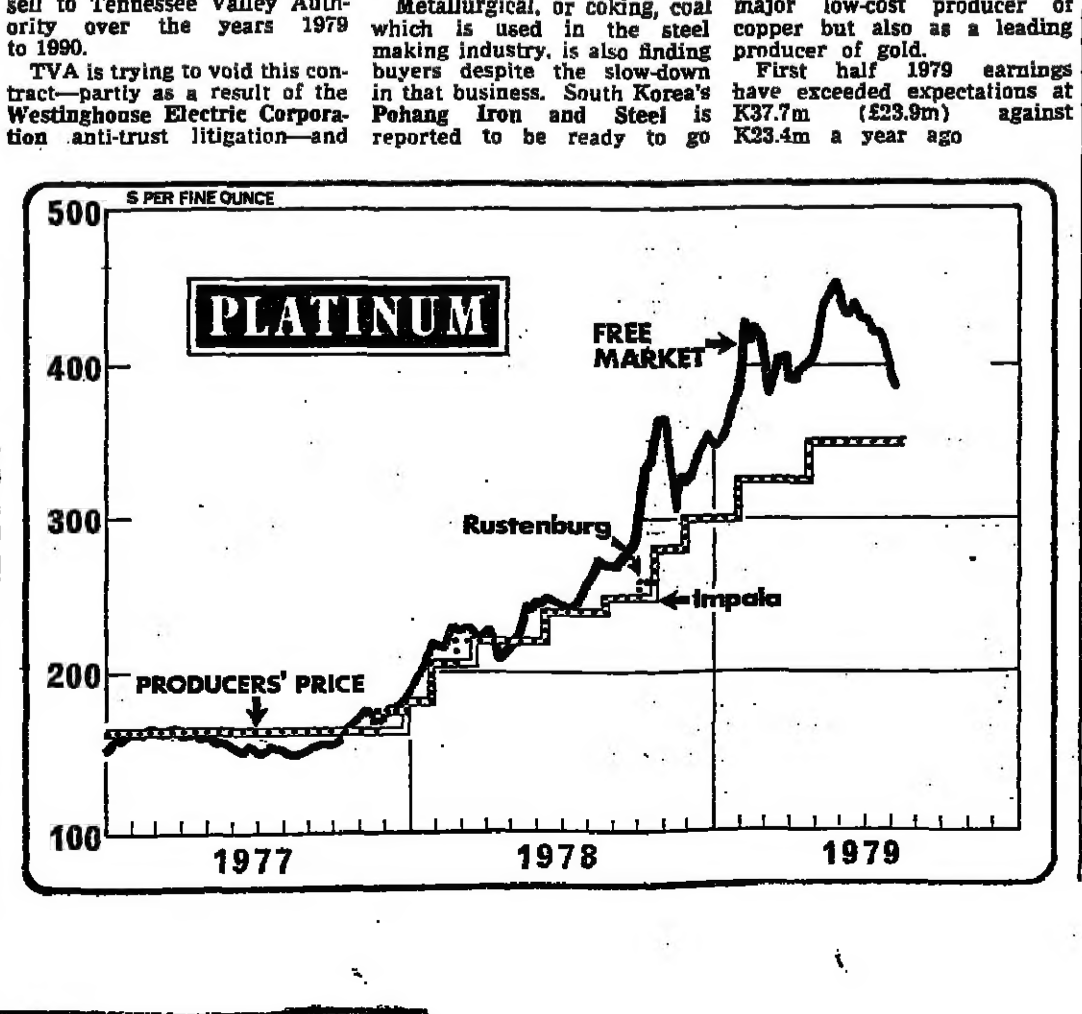
Coal remains in high demand, however. This week, Australia's huge Blair Athol coal venture, in which **Conzinc Riotinto of Australia** is the major shareholder, has landed a steaming coal contract worth about A$2bn (£1bn) with **Electric Power Development of Japan**. The latter has also agreed to take a 19 per cent stake in Blair Athol.

Metallurgical, or coking, coal which is used in the steel making industry, is also finding buyers despite the slow-down in that business. South Korea's **Pohang Iron and Steel** is reported to be ready to go ahead with the development of a U.S. coking coal mine in Pennsylvania at a cost of $73.5m.

Last year Pohang entered into a joint venture in Australia with **R. W. Miller Holdings** for a coking coal development in the Hunter Valley of New South Wales. As an optimist, I am beginning to wonder in the light of this kind of news whether the anticipations of a world recession are being overstated.

However, if recession brings another fall in copper prices and creates new currency uncertainties, the chances are that gold will attract a fresh demand. The **Rio Tinto-Zinc** group's **Bougainville Copper** is something of a two-way bet. The huge mine in Papua New Guinea ranks not only as a major low-cost producer of copper but also as a leading producer of gold.

First half 1979 earnings have exceeded expectations at K37.7m (£23.9m) against K23.4m a year ago



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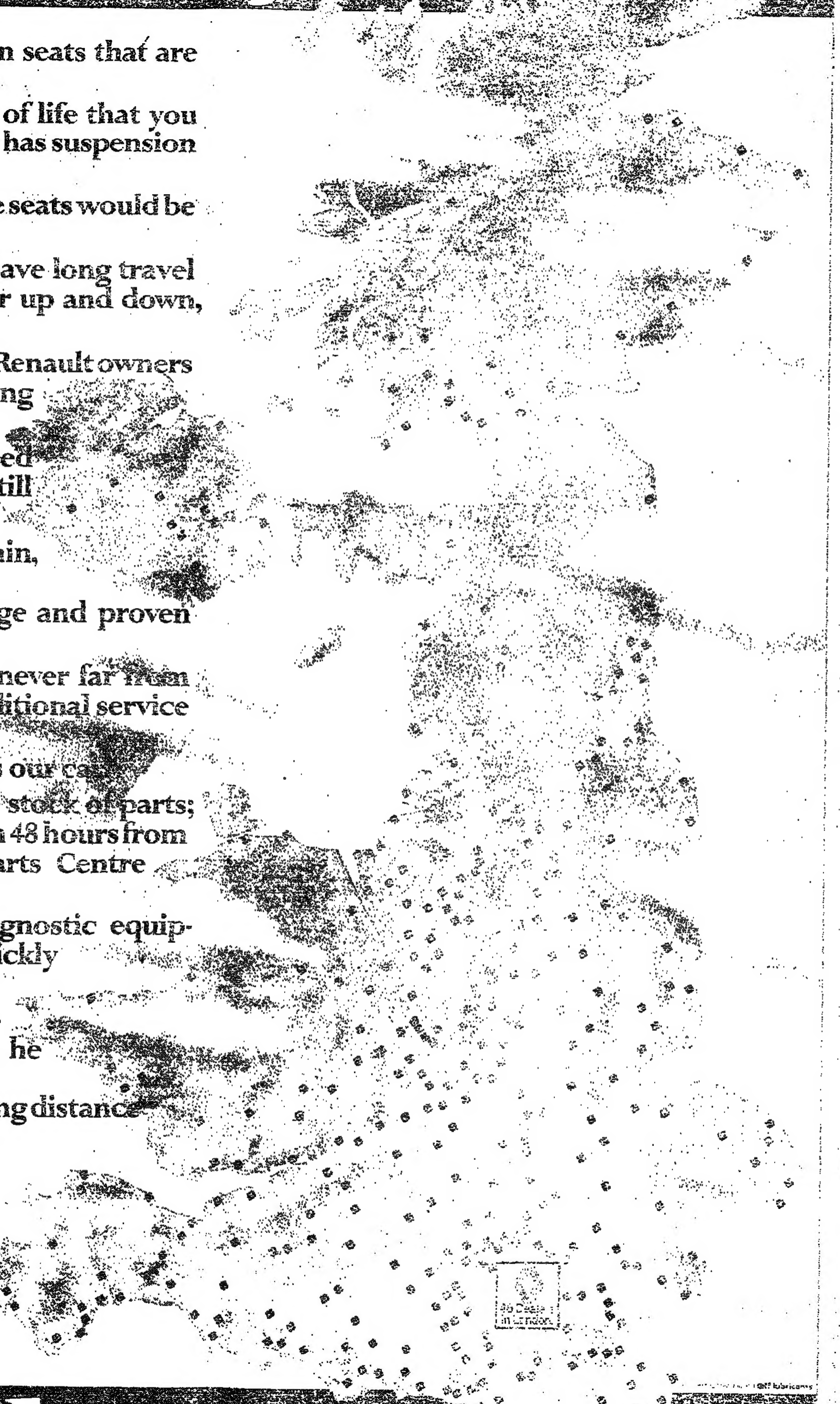

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YOUR SAVINGS AND INVESTMENTS

Shares in ICI are yielding significantly more than the market average. **Richard Lambert** wonders why

For whom the bellwether tolls?

LET'S GET one point clear from the start. I've no idea whether over the next six or 12 months ICI's share price is going to go up, down, or round in tiny circles.

Profit figures for the second quarter of 1979, to be announced next Thursday, could look quite good—especially in contrast to a wretched period *at the start of the year.* But from here on, the outlook for several quarters to come is bleak at best. An overvalued *currency, rocketing input costs,* sluggish demand around the world—ICI has to cope with all the familiar problems of British manufacturing industry.

No, the purpose of this article is simply to ponder over the fact that ICI's shares currently yield around 8 per cent, which is more than at almost any period since the war. The one big *exception came in the final* months of 1974—and at that time, you may recall, it really seemed possible that the financial system was *heading for a* collapse.

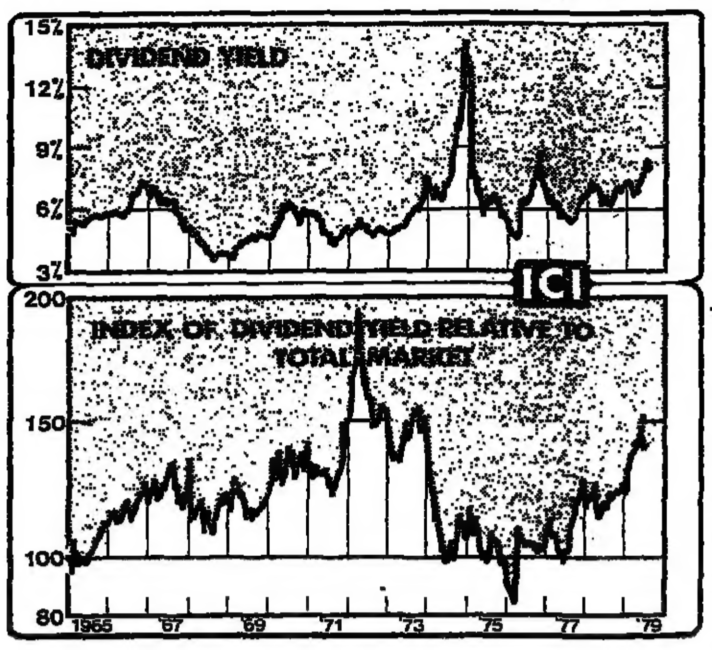
Relative to the rest of the market, too, ICI's current yield is much higher than it has been since the early 1970s. This is despite the fact that by almost *any yardstick* ICI's *management* and corporate shape has improved significantly over the last decade. Can the outlook really be that bad?

After all, the group has not cut its dividend since 1938. Its annual payout has increased in eight out of the last ten years, a progressive record of which the company is proud. Its financial position will undoubtedly get tighter in the next couple of years, but at least it starts off with a sound balance sheet. And the latest dividend was *comfortably covered by inflation* adjusted earnings.

Of course ICI could slash its dividend in a real recessionary crunch—as it did in the 1930s. But you can bet that a lot of other companies would have been driven to the bankruptcy court before circumstances forced ICI to make such a cut.

There are teams of lynx-eyed sleuths in the City who do nothing else but plot the returns which ICI is likely to offer compared with those on other investments.

But it is just conceivable that reports of the death of British industry are beginning to be exaggerated in the City, and that ICI, the bellwether stock, is suffering accordingly. A recent study by brokers Phillips and Drew suggested that companies on average were yielding 6.7 *per cent* on the basis of their likely dividends for 1979, and 7.4 per cent on 1980's possible payments. What makes *that interesting is the fact that*



only in 1931, the great depression year, and in 1974 have *yields averaged more than 7.4* per cent.

Of course there is a big difference between historic and prospective dividend payments—especially when the forecasts relate to as uncertain a period *as 1980. The cheapest share* can always get cheaper, and as things stand it is quite likely that things will get worse before they get better. But for the long-term investor, who does not think that the world is about to change out of all recognition, some sound values may be starting to appear in today's stock market.

A backlash from the taxman could follow the recent flood of income bonds. **Eric Short** looks at the latest product

Albany takes a leaf from Liberty

WHERE WILL *it stop?* The Guaranteed Income Bond market is currently taking on the atmosphere of a cattle market, with each new offer topping the previous one in terms of yield offered. The latest comes from Albany Life, a subsidiary of the U.S. insurance giant American General Group, which is offering 12 per cent net of basic *rate tax for four years, with in*come payable half-yearly. This compares with the 11.8 per cent payable yearly over three years recently announced by Liberty Life.

The reason for this intense competition is not difficult to find. New figures issued this week by the life company associations show that guaranteed income bond business is rapidly growing in popularity. Although still well below *1973 turnover levels, the pattern* seen in that boom is nevertheless being repeated.

At that time product designers *stretched the rules to* the limit in order to squeeze the maximum return out of bonds. As a result the 1974 Budget clamped down on this type of business.

Eventually, however, the back room boys of the newer life companies discovered how to redesign their products and a few weeks ago we described in *detail how Liberty Life's bond* works.

In essence the money invested is split between a series of pure endowment policies to provide the income and a qualifying endowment policy to return the *capital. The actuary* has considerable choice in how the money is split, but the more that can be invested in the endowment the greater the boost to the yield from the tax relief available.

This, in fact, is just what Michael Granville, Albany's actuary has done. Each policy, taken by itself, looks nonsensical in actuarial terms comparing the premium paid with the benefits received. The calculations, however, are made on the overall plan.

The disadvantage of Albany's approach is that the amount of *investment is restricted if one* wants the maximum return. Tax relief is only available on life policies up to one-sixth of income or £1,500, whichever is the greater. For an investor earning less than £9,000 a year, the *maximum investment is* £4,000. Albany in its promotion does make this very clear and is only interested in the basic rate taxpayer.

If history is to repeat itself, the Inland Revenue will have to take action sooner or later to stop the use of this tax relief for what is essentially a short-*term investment. The Life* Offices Association is alert to the danger and its chairman, Leonard Hall, the managing director of Clerical, Medical and General has expressed his concern about the use of life assurance policies which take excessive advantage of this tax relief.

The LOA however, has no regulatory authority to stop *these contracts being issued* and can only persuade companies not to market them. Its influence over Albany, which is not a member of the LOA, is likely to be minimal. But unless the LOA acts more positively, *it must not be surprised if the* Revenue clamps down.

An offering for the optimists

UNIT TRUSTS
TIM DICKSON

INVESTORS SEEKING a cheap *way into unit trusts should* take their chance now. Recent monthly sales figures may well make grim reading for moguls of the unit trust movement, but, hidden amid these gloomy statistics, lies an opportunity *for those who feel equities are* set to rise.

What's happening is this. The low level of demand for units so far in 1979 — in March there was actually a net outflow of money from unit trusts generally while the volume of net sales in May, June and July was unusually small — has forced the managers of many funds effectively to lower their prices.

In some cases, the difference *is as much as 6 or 7 per cent.* a *highly worthwhile* "discount" assuming, of course, your view of the likely trend of securities in the fund's portfolio is positive.

Unit trust prices, as unit holders well know, fluctuate from day to day depending on the latest valuation of these underlying shares. What is not so well appreciated, however, are other less perceptible price changes which take place from time to time. *These are largely* unrelated to equity market movements and are a function of the supply of and demand for units.

Unit trust managers are required by law every day to work out two different prices, the bid and the offer price, for their units. These correspond respectively to the amount which they will pay investors who wish to redeem or sell their units and to how much they will charge members of the public willing to buy. *The spread between* the two prices, currently about seven per cent in an average fund, naturally leaves room for the management group's "cut." It also reflects two different methods of calculating the total *value of a trust portfolio.*

Under a formula laid down by the Department of Trade, the *unit trust watchdog, the* theoretical maximum offer price is arrived at after valuing all shares in the fund on the basis *of a jobber's (higher) offer price.* Dealing and other costs (like Stamp Duty) are added to the total, which is then divided by the number of units in issue. The initial management charge (currently a maximum of 5 per cent) and a rounding off sum push the price still higher.

A unit trust's bid price, on the other hand, is reached, by valuing the fund at the jobber's lower bid prices. Charges this time are deducted and the total is again divided by the total number of units.

Under this formula the difference between bid and offer can be as much as 13 per cent. The smaller spread, which most trusts advertise, is possible because managers dealing in units are usually able to match sales with redemptions, and thus avoid incurring most of the charges.

Against this background *individual fund managers react to* the variations in demand for their units by moving their prices (usually keeping them *at a constant spread) within the* spectrum. The point is that many funds are now experiencing net redemptions of units — hence prices have been moved nearer the lower bid valuation and investors have been able to get in cheaply. If equities improve, the public's appetite for unit trusts is once again whetted, and demand forces managers to value their funds on an offer basis, investors buying now will effectively pick up an "extra" gain.

In practice the problem is finding out which funds are valued on a bid basis. Unit trust groups will not publish such information but M and G and Save and Prosper, two of the largest unit trust outfits, said last week that they would *share their "secret" with any* potential unitholder who asks.

Save and Prosper says that *more than half its funds are* valued on a bid basis. M and G *is* more cagey but two half *yearly reports*—which arrived last week for the group's European and General and Second General Trust funds—give a clue to the trend.

Managers of both admit that sellers of units have recently outnumbered buyers. "Consequently," they observe, "the units are at present offered well below the full issue price," concluding with a fine marketing flourish, "this gives a good opportunity to add to holdings *on favourable terms.*"

Investors preparing to snap up this chance should not of course, base their decision solely on these factors. They should first be satisfied that the fund of their choice is going to perform well. They should also be careful to ask which funds are likely to be only temporarily valued on a bid basis and which funds will be permanently there because interest in them has long ago waned.

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SAYE: stick by the Second Issue

IT'S DECISION time this month for holders of Save As You Earn Second Issue. Some 24,000 contracts have either just reached or are fast approaching the first maturity date and the question *holders should now be asking* is: do we hang on for the extra bonus?

The Second Issue has largely been overshadowed by the highly attractive index-linked returns available on its *successor, the Third Issue.*

Nonetheless, outstanding Second Issue contracts are worth a tidy £17m to their holders on redemption.

Under the SAYE rules savers pay regular monthly contribu*tions (up to a maximum of £20)* into a building society account and at the end of five years receive a lump sum bonus. At this point, which is the stage most people are now reaching, the investor has two choices—*either take the money out* or leave it there to attract another bonus at the end of a further two years.

The sums, based on the maximum monthly payment of £20, work out like this. At the end of five years a tax free bonus of £280 is added to the total of £1,200, giving an effective compound tax free rate of interest of 8.3 per cent per annum. At the end of seven years the saver receives an extra £280, providing a net return of 8.62 per cent compound over the whole seven year period, or 9.03 per cent compound for the final two years.

Can a tax free return of just over nine per cent be bettered elsewhere? The answer for nil taxpayers, who should probably *not have bought the contract* in the first place, is undoubtedly yes. For basic rate and particularly for high rate taxpayers, the best advice now is probably to stay put.

Over two years a building *society term share admittedly* pays 9.25 per cent. This return however is not guaranteed and with interest rates expected to move lower this winter the SAYE contract seems much safer. Meanwhile prices in the *gilt edged market, another pos*sible home, have been moving higher in anticipation of lower interest rates, leaving yields that bit less attractive.

A comparable gilt like Exchequer 9½ per cent, which is *to be redeemed* in August, 1981, was on Thursday yielding 9.03 per cent to redemption for a basic rate taxpayer. Exchequer 8¼ per cent, due to be redeemed a little sooner in June 1981, was yielding slightly more at 9.13 *per cent to redemption for* the man on basic rate tax. Dealing costs, however, would almost certainly outweigh any *marginal advantage though* sophisticated gilt market operators may well be able to boost their returns by selling *the gilt* just before redemption while still cum interest.

TIM DICKSON

Low coupons lose appeal

GILTS
ERIC SHORT

NEXT MONTH investors with a staggering £750m will be seeking a home for their cash in the gilts market. This is the amount believed to be held by private investors in Treasury 3 per cent 1979 and Electric 4½ per cent 1974/79, two stocks extremely popular with high rate taxpayers looking for tax free capital gains. The capital gains have been assured by the low coupons, which meant prices have stood at a substantial discount to redemption values. Furthermore, no capital gains tax is paid on gilts held for at least a year.

One company making a play at the moment for some of this money is Vanbrugh Life, which is actively pushing its fixed interest fund. Behind this is the belief that investors should now be altering their strategy.

According to John Stone, Vanbrugh's marketing manager, Sir Geoffrey Howe's Budget has changed the situation completely. It has freed the majority of investors from the shackles that forced them into low coupon gilts. They can, he claims get better net returns *from* the Vanbrugh fixed interest fund than by reinvesting in another low coupon gilt.

For instance, Exchequer 3 per cent 1984 at 77 1/16 offers somebody paying tax at 45 per cent a net redemption yield of 7.3 per cent. The Vanbrugh fund at present yields over 12 per cent gross and on cash-in in 1984 this investor could expect, under current tax levels and on *a conservative estimation a net* return of around 8½ per cent. In this case the investor pays only the difference between his *tax rate and basic rate tax.*

By going for a gilt bond, rather than investing directly in a gilt stock, the investor also does not have the problem of reinvesting the interest payments. In this case he has the *benefit of professional gilt* management by the Prudential, Vanbrugh's parent. Investment managers in traditional life companies, it is worth remembering, are weaned on gilt-edged portfolio management.

Wrongful dismissal

FINANCE AND THE FAMILY

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I have been dismissed from my teaching post at a public school. The contract was terminated after five months, but I was invited to complete the academic year to September, and have done so, thus having taught a full three terms.

Written allegations were made of incompetence, due entirely to student dislike of my teaching methods. Were these allegations confirmed by examination results, I would have no cause for complaint, but the reverse is true. My students have done better in my subject than in others, and I have reason to expect that GCE results will be good.

Should this be the case, have *I any grounds for legal action* for wrongful dismissal?

You may be able to argue that the effective date of termination of your employment was more than 26 weeks after its commencement, and so qualify for a claim. Your claim must be made within three months of the effective date of termination. Whether you would be likely to succeed in such a claim depends on the whole of the circumstances, as to which we cannot advise you on the limited information in your letter; but *you will of course* have in mind that there are so many factors which make up good examination results that you cannot be certain of success in reliance on those results alone.

Conditions of sale

I might have to sign a contract for the purchase and sale of a private house which will include the clause "The National Conditions of Sale (17th Ed) Except Clause 13 thereof shall apply, etc. . . ." I have been to my local library and consulted all the legal books but nowhere have I been able to find a a recital of the National Conditions referred to above. Will you please advise me the publishers of a book containing those conditions?

The National Conditions of sale are a printed form produced by Oyez Publishing Ltd. (the Solicitors Law Stationery Society). You can purchase a copy from them or from any law stationers. The current edition is the 19th Edition, and it would be most unwise to accept a contract based on a superseded edition. You could of course, require the person tendering the contract to furnish a copy of the general conditions.

Non-residents tax

Can you please tell me if my son who is domiciled and resident in Rhodesia is liable for taxation from his UK investments. Various goldmining shares held by a bank here, suffer both South African and UK tax. Is this correct?

You do not say whether it is your son's UK bank which has been deducting UK tax from his SA dividends or the respective companies' UK paying agents (nor do you say whether the shares are in your son's own name or in the name of, for example, his UK bank's nominee company).

As a first step, your son should write to the Inland Revenue Foreign Dividends Office, Lynwood Road, Thames Ditton, Surrey, Great Britain KT7 0DP, asking for a repay*ment* claim form A1. In addition to his full name and residential address, the Foreign Dividends Office will need details of any periods which your son may have spent in the UK in recent years, and a note of the reference number (if possible) of any UK tax office to which he may have submitted tax returns etc in past years.

If the UK tax has been deducted by the companies' paying agents (and the shares are registered in your son's own name), *he should* also ask the Foreign Dividends office for an exemption claim form A3, so that future dividends can be paid without deduction of UK tax—provided he does not expect to return to the UK within the next three years or so.

On the other hand, if (a) the UK tax has been deducted by *your son's own bank* or (b) the shares are registered in the name of the bank's nominee company or (c) the shares are in bearer form, he will not need a form A3 but instead he should ask his UK bank to arrange for future overseas dividends to be collected without deduction of UK tax.

Plaintiff's list of documents

I am the defendant in a County Court action. The plaintiff's list of documents includes a document listed as "copy *defendant's invoice" for an* amount that forms the subject of the action. My own copy invoice is lost, so I requested sight of the document. I discovered that it bore no resemblance whatsoever to any invoice issued by me.

The plaintiff's solicitor asserted at first that he "understood" the document to *be a copy of an invoice issued* by me. He then wrote that the plaintiff had never received an invoice from me, and had prepared the document for his own records.

I asked the plaintiff's *solicitor to amend his list of* documents, and notified the Registrar. The plaintiff's solicitor replied claiming that the document was evidence, refused to amend his list, and objected to my informing the Registrar (to whom I sent copies of all the relevant correspondence) on the grounds that I *offended* against "procedure."

Was he correct? Was I wrong to draw the Registrar's attention to an incorrect entry in a document filed with the Court? I have been conducting my own defence to date, but *understand that I may engage* a barrister to represent me when the action is heard before the Registrar. Am I right? Am I also right in believing that I can charge the *time I have devoted to this* matter to my costs at the rate I charge to my clients as a self-employed man?

Are there any other steps I may take to frustrate the use of fabricated evidence?

The lists of documents are merely schedules stating what papers are in the respective parties' possession. The description used in them is by no means conclusive, and there is thus no need to amend the plaintiff's list. At the trial you can make any point as to the want of propriety of the document in question, but you should not allow it to be included in any "agreed bundle" of documents, if one is proffered for you to agree. It was technically unnecessary for you to write to the Registrar about this, but there was nothing improper in your doing so. You can, through solicitors, retain a barrister for the trial. If you are awarded costs you are *entitled* to make a charge for your own time while acting in person. If the plaintiff's solicitor's first assertion (that he understood the document in dispute to be a copy of an invoice) is contained in a letter you can use that letter in cross examination of the plaintiff.

Move to Guernsey

Since November 1977 following the death of my father, a Guernsey resident who left me his property including a house there, I have stayed in the house from time to time. I now propose to sell my house in England and to take up permanent residence in Guernsey, living on my savings invested in Unit Trusts and Building Societies. Shall I be liable to capital gains tax? What will be my tax position generally?

You should write to your UK tax inspector giving notice under section 101(5)(a) of the Capital Gains Tax Act 1979 that your UK house is to be regarded as your main residence, from the day on which it ceased to be your only residence. This *should ensure that you escape* CGT upon its sale, and nothing else you mention seems to pose any CGT problems.

The building society is probably not the best place for your savings if you are already liable to pay Guernsey tax (as well as UK tax) on your worldwide income. Whilst you are resident in both Guernsey and the UK, the Guernsey tax on the whole of your income can be (in effect) deducted from your UK tax bill. *After you cease to be* resident in the UK, the Guernsey tax attributable to your UK unit trust distributions can be relieved against the UK tax credit, but the interaction of the double taxation relief rules of the two countries is complex (as you have presumably read).

You will find general guidance in a free Inland Revenue booklet, IR20 (Residents and non-residents: liability to UK tax), which should be obtainable from your tax inspector. In addition, you could ask him or her for a copy of booklet IR1 (Extrastatutory concessions).

In these days when servants are a rarity the average householder has to take care over his cover for accidents to people in his house.

Questions of owners, servants and kin

INSURANCE
JOHN PHILIP

ALTHOUGH FOR most families the day of the long-serving and *living-in domestic servant* is many years past, many still have a deal of help in the home, be it from part-time dailies, jobbing gardeners, au pair girls or whoever, while many older citizens have housekeeper-*companions. The precise legal* relationship between householder and help varies, although there are two main legal "servant" categories, employees and independent contractors. The precise status is *important when considering* the duties of both parties under the state insurance scheme, but is of minimum importance when one turns to the private sector arrangements that the householder can make.

*At one time, household in*surance policies contained specific clauses dealing with compensation for injury to "servants," but unless I am much mistaken these clauses have long been phased out. Modern household policies include fairly wide liability cover in respect of bodily injury to all manner of persons and *damage to property of all kinds.* However, there is a positive difference between the cover provided by a buildings policy and a contents policy, or where one policy is issued, between the building and contents sections.

The buildings cover provides liability insurance for the policyholder as "owner" (sometimes as "property owner") while the contents cover protects the policyholder as "occupier." Particularly because of this difference and because the *limitations and exclusions* insurers apply it is normally the contents section or policy that provides protection against *claims made by "servants,"* irrespective of their precise legal status.

In fact, modern contents cover protects not only the policyholder but also members of his family against liability claims. Here *definitions* vary, but the usual minimum of family relations is the policyholder, wife, parents and children, although most insurers accept other relations within the definition if requested.

So, if the daily help is injured while using a domestic appliance, or if the jobbing gardener is hurt by the policyholder's son when the boy is using his air rifle to shoot at squirrels, and either makes a legal claim for compensation, the contents insurers should normally deal with that claim. But dealing with the claim does *not* automatically predicate payment of compensation, for whether or not insurers actually *pay does of course depend upon* the precise circumstances and the appropriate legal rules of liability and compensation.

More accidents happen in the home than occur on the road or in factories and offices, although *fortunately* most domestic injuries are less serious than those caused in traffic or factory accidents. On the other hand, many domestic accidents are more "accidents" in the true sense of the word, events where it is difficult to fix some other person with responsibility so as to ground a claim for compensation.

To plug this gap, the family with regular part-time help in and around the home, or the widow with a full-time house*keeper/companion, can buy dis*ablement insurance to ensure compensation irrespective of fault. In most domestic circumstances an annually renewable policy, rather than a non-cancellable permanent health insurance is preferable.

Annually renewable policies can be obtained to cover disablement from accidental injury, or to cover disablement both from injury and illness, this latter being substantially more expensive to buy. In either event cover is provided against what insurers call temporary total disablement, usually for a maximum period of two years in respect of accidental injury, but more *often* for a maximum period of one year for illness.

Additionally, cover against temporary partial disablement can be obtained for injury, but not for illness, usually at 50 per cent of the level of total disablement benefit. Benefit is calculated on a weekly basis, but normally insurers reckon to make payment less frequently, say monthly or even quarterly, and in respect of short periods of disability, only when recovery is complete.

To this basic disablement cover can be added capital sums for death, permanent injury such *as loss of sight or limbs,* even medical expenses, as the parties wish, and most composite insurers have detailed prospectuses available for the inquirer.

Accidental injury cover can be *aranged on a full 24-hour basis,* which is fine for servants who live in, or for employment accidents only, with a consequential reduction in premium. But common sense decrees that illness disablement cover must be on a full 24-hour basis, so anyone buying a combination of injury and illness insurance cannot expect to get reduced injury cover.

Anyone with a full-time domestic help, say a companion-housekeeper, is in a very similar position to the commercial employer with key personnel. If the housekeeper is ill or injured, not only is protection needed to ensure continuation of wages, but the domestic employer needs protection to enable the employment of temporary substitute help, which is often that much more expensive to obtain.

As the domestic employer is almost certainly footing the premium bill, it is good sense for him or for her when arranging disablement cover, to fix on a sum for weekly benefit large enough to cover both aspects—for the continuation of wages and the purchase of temporary assistance.

The cost of injury disablement cover is small, between £7.50 and £10 *a year premium will buy* £50 a week total disablement benefit payable for two years. Full injury and illness cover is much more expensive and the cost will be around six times as much for similar benefit.

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TRAVEL

The motorists' gateway to Denmark

By PAUL MARTIN

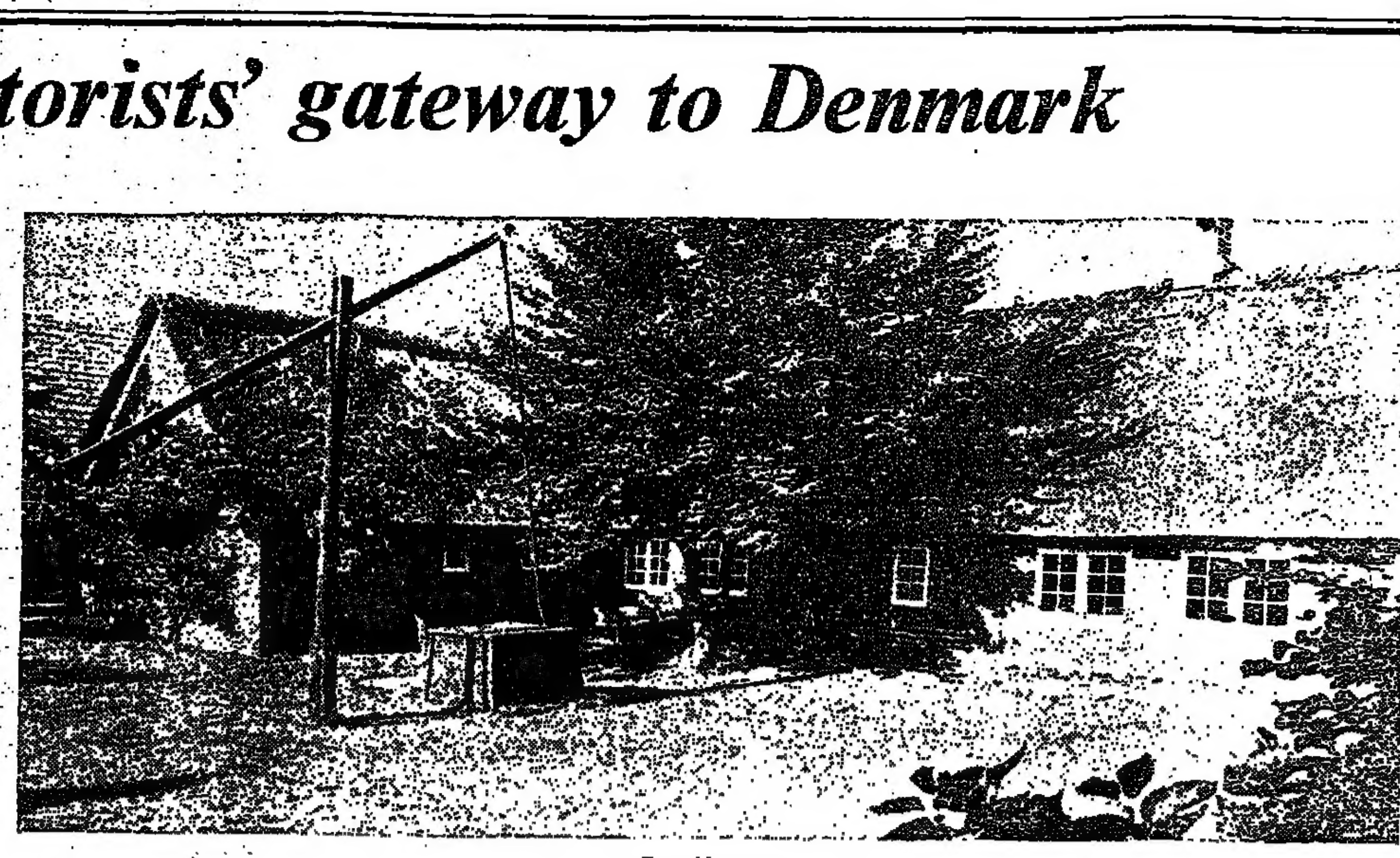
THE long established sea route from England to Denmark takes the traveller across from Harwich to Esbjerg, a relatively new city and Jutland's major sea port, where, just before docking, you pass by the somewhat elongated shape of Fano island. I had often sailed past it but it was only last month that I spent two delightful days there in real summer weather. The sun shone down from a cloudless sky with a pleasant sea breeze.

I always find this particular 18-hour sea crossing in the splendid and well-appointed ships, both over 12,000 tons and operated by DFDS, very enjoyable. The Danish cold table at £4 is excellent value and sterling certainly now goes a bit further in a high-cost economy.

Esbjerg is bacon territory with vast containers of our staple breakfast diet piled up on the quayside not far from the colourful fishing harbour. It is also extremely clean and a good shopping centre but, while the Maritime Museum is well worth visiting, Esbjerg's main function is as the motorist's gateway to Denmark and, in particular, to the old town of Ribe, under 20 miles away, and to Fano.

The 20-minute car-ferry journey—it operates half-hourly in summer and hourly in the winter—takes you across to Norby, Fano's main centre, where the very active local Tourist Office handles accommodation and will book a summer house for you.

Fanø, once an important seafaring centre, values its links with the past. A great deal of thatch is in evidence on the mainly single-storey houses and the year-round residents are proud of their island traditions. You can drive along the extensive 8-mile beach on the west coast and, protected by a series of sand bars, bathing is completely safe. There are also a large nature reserve, an 18-hole golf course and some fine camp sites.



Fano Museum

Self-catering holidays are well provided for at the Feriehotel Vesterhavet where the well-designed apartments face out towards that splendid beach. DFDS do package arrangements here and, as prices vary according to the number travelling together, that quote covers the average family unit of 4 with regular Friday departures from Harwich or Newcastle until September 28.

An inclusive price of £78 per adult—there is a £27 reduction for children under 12—covers return car transport, overnight accommodation in a 4-berth cabin with shower and toilet, a week's apartment rental and the return Esbjerg-Fanø ferry crossing. Guests have free use of both the indoor and outdoor swimming-pools, the sauna and a children's playroom. The central block has an excellent restaurant serving fish specialities.

The little village of Sønderho, on the island's south-eastern tip, faces out to another huge area of sand flats on which countless sea birds settle towards sunset, a spectacular sight in the always relaxed atmosphere.

The Sønderho Kro, established over 250 years ago as the village inn, is a real discovery. Past and present have been supbtly blended with the construction in traditional style of an annexe with seven double-bedrooms, all with private facilities, and a delightful residents' lounge away from the busy restaurant. One of the few Scandinavian Relais et Châteaux members and open year-round, room prices seem to me very reasonable at £21 for a double and £14 for a single occupancy.

The main part of the inn, virtually unchanged over the centuries, has reminders of the village's seafaring past in some attractive Dutch tiles, brought back by the mariners of yesteryear, in the simple, traditionally furnished restaurant.

I was to find some similar tiles at the Weis Stube Inn in Denmark's oldest town of Ribe, and, even if you find it difficult to tear yourself away from the beach, do at least spend part of a day there.

The centre of Ribe, once the major port serving Jutland and connected to the open sea by three river outlets, is compact and quite enchanting. It also provides a lesson to us all in what conservation really means and, at a time when the growth of tourism appears to conflict with preservation, is a striking example of how the two can be combined.

Ribe

At the beginning of this century a local newspaper owner proposed the establishment of a Tourist Office, the main objective of which should be the conservation of the city centre after a long period when its commercial and economic importance had been in decline.

It is reassuring to stroll through the streets and along the quays and see with your own eyes just what can be and has been achieved in a totally practical way. Some splendid half-timbered buildings have been lovingly restored and, in addition to the great cathedral with its copper roof, there is an oasis of tranquillity in the lovely cloister, once part of the monastery beside which stands the simple and austere St. Katherine's church. The past is with you on every step you take in this disarmingly simple and lovely place with the attractive Hotel Dagmar in the centre.

Fano's life is at the water's edge and both the island and the historic old town of Ribe are places to sample and savour to the full.

ADDRESSES: Danish Tourist Board, Sceptre House, 169/173 Regent Street, London W1R 8PY. DFDS (UK), Mariner House, Pepys Street, London EC3M 4BX. Fano Tourist Office, Nordby, 6720 Fano, Denmark. Ribe Tourist Office, Overdammen, 6760 Ribe, Denmark. Sonderho Kro, 6720 Fano, Denmark.

Down on the farm

FROM THE courtyard of Newton Farm, West Pennard, Somerset, there is a view clear across to Glastonbury Tor. Fat cows industriously browse on lush pastures up hill and down dale throughout the surrounding countryside. This bucolic idyll, this West Country Arcadia, is devoted to cheese. Madly lactating, the cows pour 40,000 gallons of milk every day into the Newton Farm dairy and, in due course, 12,000 50-lb cylindrical cheeses every year are ferried out to market. Each one has been hand made on the premises, and carries the proud label: Farmhouse English Cheddar Cheese. It is the real thing.

Here, for all cottage industries, is the recipe. First pasteurise 25,000 gallons of fresh milk and convert the lactose to lactic acid by the addition of a chilled bacterial culture. Heat the milk to blood temperature and add rennet when correct acidity is reached. Cut the resulting junket to separate curds from whey and run off the whey. Drain and dry the curd by cutting and heaping it like piles of white, rubbery door mats. Turn the curds occasionally and then mince them finely. Add salt, and press in 50 lb moulds. After two days, bandage the cheese and store in a chilled room for eight weeks. Turn the cheeses every day and mature for nine months.

It is, believe me, damp and backbreaking work. One of the most dismal experiences of my adolescence was being forced by my father to make cheese for eight weeks during a long summer holiday by precisely the method aforementioned.

Farmhouse Cheddar is graded by the Milk Marketing Board as "super" or "fine"—anything labelled "mature" cheddar may not necessarily be hand-made Farmhouse Cheddar, although it is likely to have been stored the full eight- or nine-month term. There is a demand for Farmhouse Cheddar — it accounts for 10 to 12 per cent of all cheddar sales in the UK and cheddar generally accounts for about 90 per cent of all cheese sold in these islands.

Farmhouse Cheddar, as you might expect, is a little more expensive than factory-made cheddar cheese, but supermarkets such as Tesco and Sainsbury's seem willing to pay the price, and the demand is increasing. Even Bird's Eye, for its frozen foods, is insistent that only the best Farmhouse Cheddar be used in its range—though what it does with the ingredients is a different matter, according to taste.

There is a demand, too, from large buyers for rectangular blocks rather than cylindrical cheeses — a regular, square-ish shape is easier to cut into pieces for pre-wrapping for public sales. It does not look cosily traditional, of course, and it tends to be a fraction more moist than the cylindrical cheeses, but the difference is negligible. Indeed, after ample opportunity throughout the day to taste both varieties of Farmhouse Cheddar, I and several other *soi-disant* aces were invited to take a blind test and, to a man (and woman), we opted for the rectangular cheese as superior in texture and taste to the cylindrical, all of us firmly of the opinion that we had chosen the good old traditional cheese.

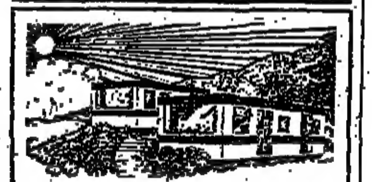
The production of Farmhouse Cheddar is restricted by the Milk Marketing Board to an annual milk quota beyond which each farm dairy cannot produce cheese—although the quota is probably due to be increased within the near future. The cheese-making industry by small individual concerns is almost self-contained, profits often being devoted to maintaining and increasing the herds of cows which supply the dairies.

Control of the pasture and the cow appears to be important and the exact flavour of the cheese will depend on the expertise of the farmer and cheeseman working together. Ideally, the texture of Farmhouse Cheddar should be firm and buttery (though not oily) with a colour slightly darker than milk cream.

Farms generally welcome visitors and tourists. They might even sell you a pound of their cheese. The following will show you around, but 'phone first to check on convenient dates and times: Mrs. Helen Barnett, Overton Hall, Malpass, Cheshire. Tel: Malpass 257; Wm. Wild and Son, Mollington Grange, Cheshire. Tel: Great Mollington 226; Mr. and Mrs. Hutchinson-Smith, Hinton Bank Farm, Whitchurch, Shropshire. Tel: Whitchurch (Salop) 2631; Chewton Priory Farm, Chewton Mendip, Bath, Somerset. Tel: Chewton Mendip 560; H. G. Green and Sons, Newton Farm, West Pennard, Somerset. Tel: Glastonbury 32952; Mr. G. L. Churchoye, Manor Farm, Castle Cary, Somerset. Tel: Castle Cary 286 and 673.

IAIN FINLAYSON

TRAVEL



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FINE ART SOCIETY, 148, New Bond St., W1. 01-629 5116. SUMMER EXHIBITION and WORKS UNDER £500.

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MARLBOROUGH, 6, Albemarle St., W1. EGON SCHIELE. Exhibition of watercolours and drawings until 31 August. Mon.-Fri. 10-5.30. Sat. 10-12.30.

ASH BARN until September 16. Summer Exhibition of Paintings & Sculpture. Open 10-6 (incl. Bank Holiday). Sunday 2-6. Winchester Road, Stroud, Petersfield, Hampshire. Tel: 0730 3662.

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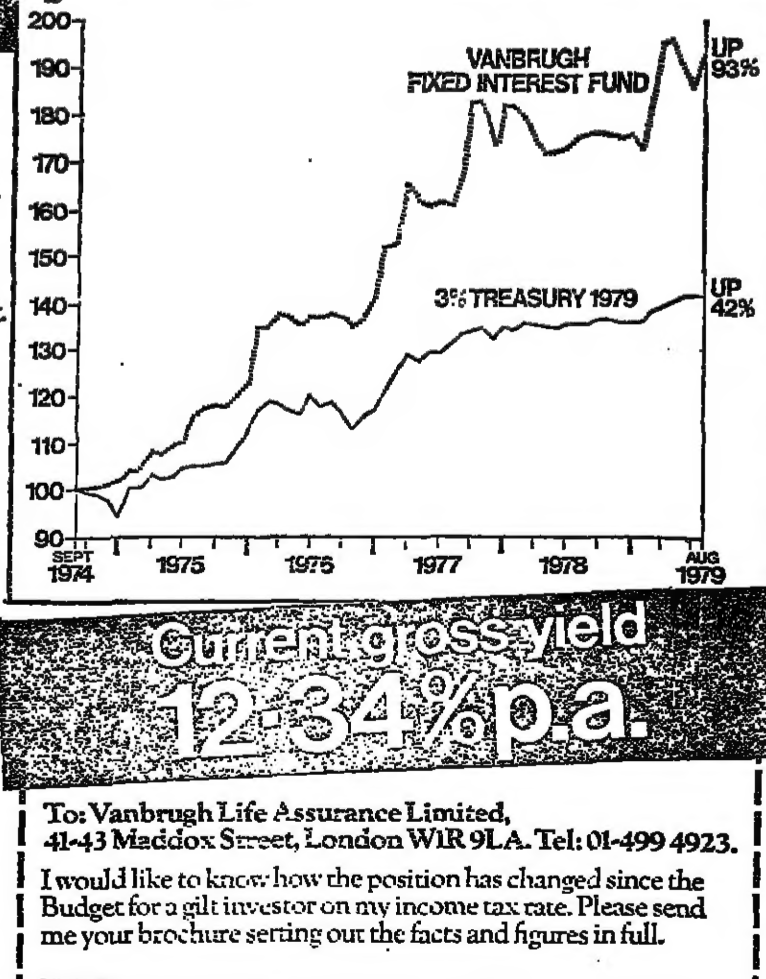

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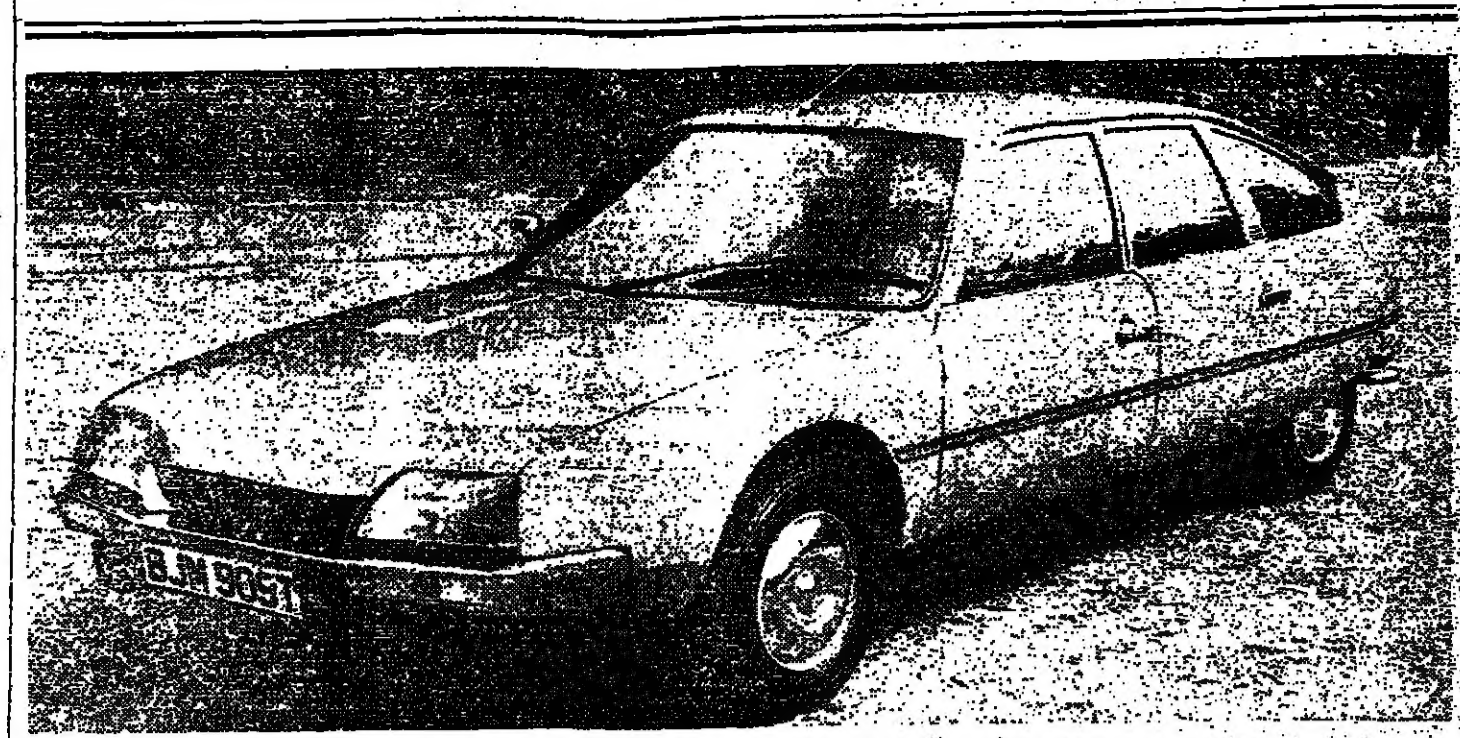
MOTORING



Next week, two new Citroen models go on sale in Britain. The curiously named Reflex and Athena have the same wind-cheating elegance as the other CX models but have acquired a new engine. This is the admirable 2-litre, light alloy four-cylinder also used in the Renault 20TS and the Peugeot 505. *At last it gives the CX buyer an engine that is as up-to-date as the rest of the car.* In the four-speed Reflex and five-speed Athena (pictured here) the new engine gives better performance and economy than the former CX 2000. The Athena, in fact, closely approaches the CX 2400 in 0-62 mph acceleration and top speed and is more economical in town and at a constant 56 mph. Although it cannot quite match the 2400's 30 mpg at a constant 75 mph, it betters 29 mpg, which is very economical indeed for a luxurious 5-seater. What is so striking about the Reflex and Athena is their greater traffic driving flexibility and silkier running at all speeds. The hydro-pneumatic suspension, the speed-sensitive Vari-power steering and the high-pressure hydraulic brakes are as good as ever. The cloth-trimmed seats are even better than before. Prices are £5,697 for the Reflex, which is nearly £100 less than that of the former CX 2000 that it replaces, and £6,229 for the Athena.

When the shows must go on

BY STUART MARSHALL

WHATEVER the outcome of the legal action between the organisers of Motorfair and the Society of Motor Manufacturers and Traders, the show (or rather the fair) goes on. Motorfair, backed by the Greater London Council, opens its doors to the motoring public at Earls Court on October 17 for a 12-day run.

The first Motorfair was held nearly two years ago to fill the gap left by the SMMT's decision to make the traditional London *International Motor Show* bi-annual and shift it to the National Exhibition Centre, Birmingham.

About 400,000 people went to the 1977 Motorfair. That was not a bad attendance, even if it represented *only one-third* as many people as went to the first Motor Show to be held at the NEC in October, 1978.

Whether the '79 Motorfair will be as big a draw as the first one—and whether the 1980 Motor Show at the NEC will enjoy a repeat of last year's colossal attendance—remains to be seen. Motorfair is a totally different kind of event from the Motor Show.

Basically, Motorfair is run by dealers for motorists and the Motor Show is run by the industry for the industry though everything possible is done to ensure that the motoring public also turns up in large numbers.

In short, Motorfair is about motoring. New and used cars *can be bought off the stands.* It is staged with light-hearted spectacle that the Motor Show never had at Earls Court though which the SMMT is now building into it at Birmingham. Motorfair is meant to attract *families. It has all kinds of* diversions aimed at wives and children who might otherwise be bored at being dragged round stand after stand of cars.

At Earls Court there won't be any of the component sup*plier and commercial vehicle* manufacturer stands that are so important a part of the Motor Show at the NEC. These industry exhibitors regard the family parties—and especially the small boys with plastic carriers trying to get the maximum number of costly colour printed brochures—as a pest. And one can sympathise with them.

So why can't Motorfair fill the gap between Motor Shows with the SMMT's blessing? The first one did. The SMMT had some kind official words to say and wished Motorfair well. But this year it went about-face and decided to enforce the rule barring its members—who come from all sides of the *motor industry and trade—from* supporting Motorfair.

Whatever the reason, the SMMT now appears to see Motorfair as a threat, even though it is held in the years when there is no Motor Show. It is the *legality of this* ban that Motorfair's organisers are now challenging in the courts.

The result will not be known until long after this year's Motorfair has taken place. But the organisers say they want to *know where they will stand in* relation to the Motorfairs they intend to hold in 1989 1981, and so on.

No one knows at this stage how successful Motorfair can be this year without the open—*or even clandestine*—support of SMMT members. The organisers consider they have a good nucleus of exhibitors and are confident that the presentation will be as spectacular as it was last time. Potential visitors, mainly from London and the south-east, will have to wait and see.

What is certain is that if the SMMT ban on participation is rigidly respected, a lot of exhibits that Motorfair visitors *would like to see won't be there. Cars,* for example, like the new front-wheel drive General Motors hatchbacks and the new Mercedes saloons that make their debut next month at the Frankfurt Show. The first British show at which they will *be seen will be at the NEC, Bir*mingham, in October, 1980.

For the exhibitor, motor shows have become hideously expensive. (One large tyre manufacturer told me they had spent a five-figure sum on going *to the NEC last autumn* and did not know what they had got out of it.) The SMMT's anxiety not to have its members frittering away some of their budgets on Motorfair is understandable.

But should it deny British motorists *an opportunity* of seeing the latest and best of the world's cars under one British roof in a year when there are only two major European shows at Geneva and Frankfurt? Many, like me, think not.

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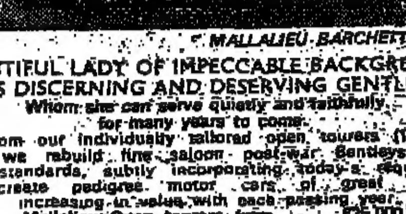

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PROPERTY

Ivyleaze Farm, Acton Turville, in 9½ acres in the heart of Beaufort country, is a hunting box with six timber boxes, tack room and paddock. The Hereford office of Knight Frank and Rutley are asking in excess of £100,000.

Horses and houses

BY JUNE FIELD

And here I say to parents, especially wealthy parents, "Don't give your son money. As far as you can afford it, give him horses."

Winston S. Churchill
"My Early Life"

WHETHER it's a small country house with a paddock for a Shetland pony, or a few loose boxes with a tack room, a full-scale stable or a stud, the equestrian property market is on the move.

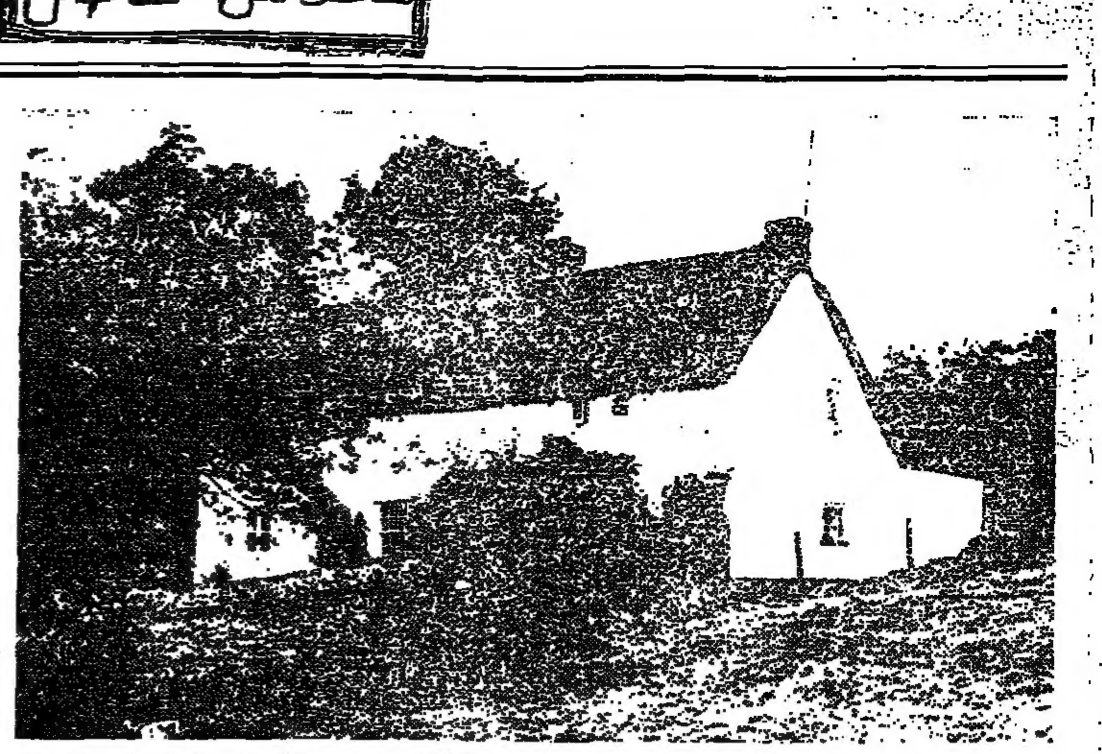
"The past six months has shown a considerable return of confidence and an increase in demand and prices," reports J. M. Rutherford of Bernard Thorpe and Partners, Stow-on-the-Wold, Gloucestershire, who in July sold Brookfield Farm Stables in Warfield, Berkshire, for £180,000 at auction to an Arab buyer, and Hill Barn, in Heythrop Hunt country to a French purchaser for £101,000.

"The price of paddock land has risen, whether attached to a property or entirely separate, and is now bringing an average of £3,000 an acre," says Mark Monkhouse at King and Chasemore's Pulborough office, who has also found that in the last few months bloodstock prices have increased. "This has led to greater confidence in the horse industry as a whole. More people are turning to training or breeding, and this has led to a high demand for all types of equestrian property with an equivalent rise in prices."

Small equestrian properties on offer through King and Chasemore include Batchelors Farm, in 2 acres in Barns Green, Horsham (2/3 bedroom house with a stable block of five loose boxes, outdoor sand-school and paddock), £65,000, Oldfields in 4½ acres in Crowhurst, St. Leonards-on-Sea (2-bedroom bungalow with five stables and tack room), £57,500, and a residential riding centre at Shoreham-by-Sea, in 11 acres with four paddocks and 13 loose boxes, £100,000. In a similar price bracket is Ivyleaze Farm, Acton Turville, a modernised hunting box in 9½ acres in the heart of the Beaufort country, on offer through Knight Frank and Rutley's Hereford office. The package includes a pretty 4-bedroom farmhouse, 3-bedroom cottage and six timber boxes, tack room and paddocks.

The stud market is particularly specialised, and it is unusual to find more than one or two proper studs on the market at any one time. Geoffrey van Cutsem of Savills explains: "Basically the market is divided into two, with the private stud farms invariably having quite a nice house and anywhere from 20 to perhaps 200 acres, with in addition, some arable land. This sort of stud caters for the owner's private mares which again may vary in number from two or three up to 15 or 20, together with their foals and yearlings. The old-fashioned rule of thumb was that any mare kept at stud together with her young should have up to ten acres of paddocks available. Usually bullocks or sheep will be run on a stud in addition to the horses to eat the grass down to the right level, and paddock management is a very important part of stud life.

"The other type of stud is a public stud, the public being derived from the fact that stallions stand at the stud. These stallions will usually be owned by syndicates of up to about 40 shares, and people with mares will send them to the public stud to be covered by a stallion up to three times or until they are tested in foal. This means the mare may stay at the public stud for something in the region of 100 days, and the mare owner pays a board charge to the owner of the stud, say about £35 per week.



The Hon. Jamie Douglas Home, son of William Douglas-Home the playwright, and nephew of former Prime Minister Sir Alec Douglas-Home, is to start training racehorses next season. He is buying Ron Vibert's yard, Framptons at East Hendred through John German Ralph Pay, and selling his present home (shown here), Mount Pleasant Cottage, Eastbury, near Newbury, Berkshire, at auction in September on a price guide of around £55,000. Details Christopher Stephenson, John German Ralph Pay, Ramsbury, Marlborough, Wilts (06722 691).

It is considered bad practice to mix any private studs where one's own mares live all the year round; with a public stud and where both functions are found, they are usually divided.

Currently the stud property market is going through an interesting period. Charlton Down, a private stud of about 180 acres in Gloucestershire, whose best-known mare was Black Satin, winner of the 1970 Irish One Thousand Guineas, sold at auction last month for £715,000 through Knight Frank and Rutley, Lane Fox and Partners, and John German Ralph Pay. Currently on offer through Savills (20 Grosvenor Hill, London W1) is the Aston Park Stud, Aston Rowant, Oxfordshire, a three-stallion public stud (currently Dominion, Saritamer and Swing Easy), with adjoining private stud. Aston Park Stud is about a mile off the M40 between London and Oxford, with good access to London Airport, a plus point for foreign patrons of the racing world. A price in excess of £500,000 is being looked for.

The Aston Upthorne Estate, Westonbirt, also in Oxfordshire, is on the edge of the quiet village of Aston Tirrold at the foot of the Berkshire Downs, a one-stallion public stud for sale through Lane Fox and Partners, 36 North Audley Street, London W1. It became a public stud in 1971, with the arrival of Champion Stakes winner *Lorenzaccio*, who stood successfully at Aston Upthorne for four seasons.

Probably the finest stud on the market is the three-stallion public stud The Sussex Stud, originally The National Stud before it was centred at Newmarket in 1972. If you drive along the Worthing Road, you can just see the entrance up to the impressive Regency-style house built that year by the new owners, together with a swiming pool and sauna. Guide price is in the region of £800,000 to £1m.

Name games

ESTATE AGENTS' descriptions continue to mystify. A property "occupies" or enjoys a position, rather than is in one, a house "comprises" 4 bedrooms, never has. Even in an average dwelling in a living-room is always a reception room (who are we receiving?), or, equally dated, a lounge or drawing-room. Is a basement a cellar, an overseas reader asks? No, it could be lower ground floor, i.e. with windows, and when the back slopes to ground level, it could be "a garden-flat." The one I really like is "full domestic offices"—which does *not* mean a place for your secretary to cook!

Barrie Warrener, director of Richard Berry and Partners, sent me an amusing list of "estate agent's jargon which I try to persuade myself not to use."

"Distinctive" (built by mad retired builder in 1931 in imitation of Taj Mahal); "unusual" (slightly different from next door); "charming" (exactly the same as next door); "bargain" (must sell quickly); "magnificent position" (miles from your nearest road); "highly sought-after locality" (impossible to find); Phrases such as "select development" he identifies as 36 identical houses with slightly different fanlights, while "ideal for development" means present owner is unable to obtain planning permission.

To get details of the London houses apartments that Richard Berry specialises in, telephone 01-499 8333, or write to the firm at 144/46 New Bond Street, London, W1.

Mr. Warrener considers that "the recent rise in prices seems at long last to be levelling off and an element of stability and sanity seems to be creeping in. I think this will be further confirmed when the full effect of the recent disastrous intake of funds to the Building Societies is reflected in the lack of desire of applicants to commit themselves to hefty mortgages.

"As always we are concentrating on the most popular price range in the market, which at the moment seems to be between £30,000 for a three-room kitchen and bathroom flat, up to £70,000 for a six-room flat in Battersea Park or a five-room flat in SW1. One part of the market which really does seem to have taken a hammering of late seems to be the very large flats in the £90,000 to £100,000 bracket. I can only speculate as to the reasons, but it is most probably because of the market being saturated and subsequently sated in the February to April period."

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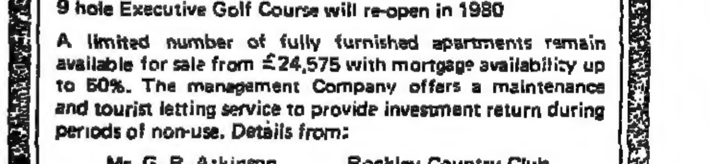

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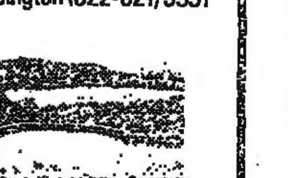

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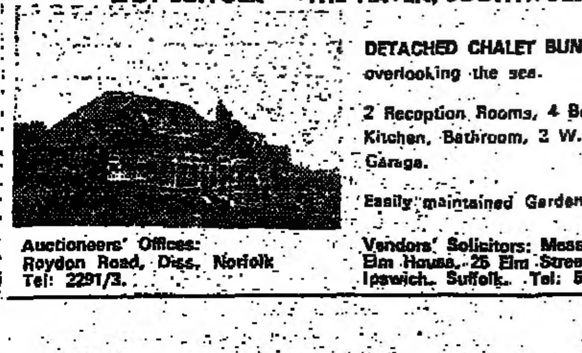

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BOOKS

Young man's fancy

BY C. P. SNOW

Barclay Fox's Journal edited by R. L. Brett. Bell and Hyman. £8.95. 426 pages

Here is a lucky find. Recently a cache of manuscripts was discovered, or more exactly just happened to be found, in a Cornish country house. No one had looked for it, though this had been one of the houses of the Fox family and Caroline Fox's diary had been well known for many years. This new discovery turned out to be the journal of Caroline's brother, Barclay, ten volumes of it, mostly written between the ages of 14 and 26, which covers the period 1818 to 1844.

It didn't take much investigation to see that here was a record of quite uncommon interest. To publish it in full would presumably have been too much of an undertaking, but we are now given a version skilfully cut and edited by Professor R. L. Brett and handsomely produced.

The cardinal value of the journal lies in the personality of the author. He emerges as one of the most attractive of characters, and his vigour, curiosity, kindness and competence, blow fresh from page after page. He was highly intelligent, cheerfully masculine, deep natured, high spirited. He wasn't a diarist of genius, as Pepys was, but he has become among diarists my human favourite—much tougher and cleverer than Kilvert, more fun that Evelyn, less self-bound and quirkish than Agate . . . the list can be prolonged.

There are other attractions besides the personality of the author. The period itself is very interesting. A great deal was happening. There was excitement and hope in the air. This was the high time of Dickens's brilliant youth, and Barclay and his friends were reading the early novels and feeling that Dickens spoke for them. They were living as he did in the take-over between the old agricultural England and the new industries. They had travelled in stage coaches, and were beginning to use railways. It is probably, as J. B. Priestley once said, that England has never looked prettier before or since, that is, if you didn't notice the hovels of the agricultural labourers.

Barclay Fox's family provide another attraction. They were well-to-do Quakers, settled in Cornwall for centuries, the leading clan in Falmouth. Fox and Company had spread their interests, shipping, shipowning, fisheries, mining. They weren't inordinately rich: one has to remember that there wasn't much money in circulation. But they were certainly prosperous members of the haute bourgeoisie, related to, intermarried with, other established Quaker families, Barclays, Lloyds, Peases, Backhouses, Buxtons, Hoares.

The elite English schools and universities were Anglican foundations and so closed to these families, but they were highly cultivated and educated—sometimes, as with Barclay, through being tutored at home, which didn't prevent the young man from becoming easy in all kinds of company. The intellectual life of this Quaker enclave was characteristically active. By any standards, the Foxes stand out as well informed. Barclay's father, as well as being successful in the family business, was also an FRS. That didn't mean that he was a professional scientist, but he produced inventions that made the local mining more efficient, and he was on intimate terms with the science and scientists of his time: just as Barclay, in his twenties, became a close friend of John Sterling, John Stuart Mill, and more surprisingly Carlyle.

Barclay as a young man was being chafed by the restrictions of the Society of Friends, though he held by its spiritual insights. In the journal, one finds that at 20 he begins to use the ordinary names of the months, instead of First, Second, Third, et seq. His closest friend, W. E. Forster, as strong and lively a character as Barclay and later a successful politician, was a Quaker who quite early abandoned the traditional dress. Barclay much approved.

Quakers seem to have been much less censorious about the straight - forward human pleasures than orthodox English dissenters. They didn't deprive themselves of alcohol. As for Barclay, few young men could have had a more affectionate eye for girls. He liked women as well as loving them, and the ones he fell for were as striking characters as he was himself.

It seems that the girl he loved most was Richenda Buxton, and her family, though no longer Quakers, wanted the match. Her father, Sir Thomas, loved and admired the young man, as most potential fathers-in-law would have done. But the girl was as serious minded as later Victorian heroines. Weren't the religious differences too great? She couldn't make up her mind. So that split up.

A couple of years later he settled for Jane Backhouse, who was, by all accounts, beautiful. She was cool, dignified, couldn't or wouldn't express emotion. It looks as though that provoked Barclay. Somehow he was going to break through those reserves. He was helped by pressures from both families: the two of them were among the most desirable prospects in the Quaker upper-class. Jane melted enough to accept him. Though she might be inhibited in speech, she wasn't so inhibited in other respects. After they had inscribed themselves on the Society of Friends register as intending to marry, they went for a walk through the fields. There they, with amicable consent, had apparently without many words, applied themselves—literally—to a roll in the hay.

Later that day Barclay wrote in his journal, with extreme gusto: the stately Jane G. Backhouse is actually come to this.

Well, that entry isn't the height of chivalry: but a good many men will read it with a brotherly grin.

Their marriage was very happy, and they had five children. It is saddening to learn that Barclay, so full of the joy of life, had years of illness that nineteenth century medicine didn't comprehend, and died before he was 40.

Barclay Fox: most attractive of characters

Lawrence and beetles

BY PETER KEATING

D. H. Lawrence's Nightmare: The Writer and his Circle in the Years of the Great War by Paul Delany. Harvester Press, £8.50. 420 pages

D. H. Lawrence at Work: The Emergence of the Prussian Officer Stories by Keith Cushman. Harvester Press. £10.50. 239 pages

Early in 1915 D. H. Lawrence was invited by his friend Bertrand Russell to spend a weekend at Trinity College, Cambridge. Russell hoped that Lawrence would find kindred spirits among some of the leading young intellectuals of the day, but the visit had quite other effects—it reinforced Lawrence's distrust of rationalism and homosexuality, and made him dream of beetles. "I will not have people like this," he wrote to Ottoline Morrell. "I had rather be alone. They made me dream of a beetle that bites like a scorpion. But I killed it—a very large beetle. I scotched it and it ran off—but I came upon it again and killed it."

The nightmare in the title of Paul Delany's fascinating biography refers not simply to the scorpion-beetle but, more generally, to Lawrence's experiences during the four years of the First World War. Lawrence himself used the word in his novel Kangaroo to describe a time when "a true and deadly fear of the criminal living spirit" governed England. No nightmare could be more Lawrentian than that—the "living spirit" feared as criminal, and the beetles threatening to take over. As Lawrence frequently asserted, and as his admirers have repeated endlessly, he was on the side of "Life."

It has never been easy to accept such a claim without feeling that it needs to be severely qualified. "Life" as Lawrence conceived it may be a wonderful thing but along with it goes a good deal of contempt and hatred for those who see life differently. And more than just contempt and hatred. When, in Women in Love, Diana Crich is drowned, Birkin says calmly that she is better dead than alive because "in life she was a fretting, negated thing." Ursula tells him he is "rather horrible," and so he is. And so, often in much the same way, is Lawrence.

D. H. Lawrence's Nightmare will bring little comfort to those who would try to explain away such moments in the novels by arguing that it is naive to regard, say, Birkin's views as Lawrence's. As Professor Delany traces month by month the twists and turns of Lawrence's mind during the period of the Great War, the picture that gradually emerges is one of a man who fully shared Birkin's megalomania and obsession with death. Describing families out walking in the Cornish countryside, Lawrence could write in a letter: "Oh, if one could have a great box of insect powder, and shake it over them, in the heavens, and exterminate them."

Personal circumstances at this time explain much about Lawrence. His tubercolosis kept him out of military service and no doubt influenced the tone of some of his more frenetic pronouncements; as his wife was German he was scrutinised and harassed by the authorities, and wartime travel restrictions kept him in England when he longed to go abroad; the most shattering personal blow came in November, 1915, when his novel The Rainbow was banned for its "obscenity." Turning all of his creative energy to writing his greatest novel Women in Love, he found that it could not be published because of fears of another prosecution.

Against the bitter frustration caused by all of this must be set the loyalty and devotion of his friends. Everyone who met Lawrence stresses how charming and dynamic he was, initially at least, and at this time there were many influential and talented people eager to help. Bertrand Russell, Ottoline Morrell, and Cynthia Asquith, sent Lawrence and Frieda money, offered them cottages to live in, introduced them to other influential friends, and discussed with Lawrence his dream of establishing "Rananim," a small community of like-minded artists set apart from the world. Middleton Murry and Katherine Mansfield were even persuaded to try to set up a miniature Rananim in Cornwall with Lawrence and Frieda, but after two months they fled in dismay, unable any longer to stand the fights and black rages.

Always the Lawrentian charm gave way to ruthless, insulting analysis of his friends and as he became increasingly isolated the conviction grew that he alone, in this world of war madness, was right. He was capable, of sounding indecently indifferent to the slaughter taking place in France, and he was often blatantly anti-democratic and anti-semitic. Homosexuality fascinated and terrified him, and his well-known views on the complete polarity of the sexes led him to find something sinister in women doing men's work, even in wartime. It is greatly to Professor Delany's credit that he succeeds in demonstrating so convincingly these various conflicting aspects of Lawrence's thought and personality, and to do this without denigrating Lawrence's essential genius as a writer makes this biography a remarkable achievement.

D. H. Lawrence at Work is, in every respect, a contrast to D. H. Lawrence's Nightmare: a thorough examination of a fairly narrow topic, it is very much a book for the academic specialist. Taking some of Lawrence's early stories, and carefully studying revisions made to them, Keith Cushman shows that they are not simply apprentice work as many critics have supposed them to be, but belong rather with the mature Lawrence of The Rainbow. The book in which the stories were collected for publication was called The Prussian Officer: it appeared in 1914 and marks both the end of one phase of Lawrence's life and the beginning of his nightmare.

Lost in a land of limbo

BY ISABEL QUIGLY

Skinner of Skinner's Horse by Philip Mason. André Deutsch. £5.95. 241 pages

Masquerade by Cecilia Sternberg. Collins. £5.95. 335 pages

The Lead Soldiers by Uri Orlev. Peter Owen, £6.50. 234 pages. Translated from the Hebrew by Hillel Halkin

Mixtures of nationality and race, cultural overlappings: my three novels have these in common. All are about confused identities and, as a result, erratic progress through life. Otherwise, totally unalike.

The first is about a famous soldier of fortune in 19th-century India who raised an equally famous regiment of irregular cavalry, his "Yellow Boys," called after the colour of their coats. Philip Mason has dealt with India in several genres — in fiction, biography, essays. His book on Kipling was masterly; his autobiography, A Shaft of Sunlight, had many of the qualities of insight and delicacy shown in this novel. Based closely on fact (its hero's memoirs and a biography written by a friend ten years after his death), Skinner of Skinner's Horse is about a man who found fulfilment and serenity in a synthesis of the cultures that formed him, and out of their propinquity, but apparent irreconcilability, produced a rich mixture of philosophical insights. Son of a Scottish father and an aristocratic Rajput mother (who committed suicide rather than see her daughters sent to school), Skinner lived in an India where there was no accepted place for him on either side. The extremes of racial separateness hadn't yet arrived, but time and time again he was refused the high office his gifts deserved by both races, since he belonged wholly to neither. Yet his life ended contentedly, with final recognition from both sides, honoured, respected, and much loved at every level.

The book is a celebration of honours in all its manifestations: in the dash, warmth and high courage of the Rajputs at their best, or the sense of unselfish purpose and responsibility of the British at theirs. It is luminously written, enlightening about all sorts of aspects of life, thought and feeling in India; about notions of behaviour, affection, decency; about many non-British and therefore unfamiliar attitudes, all tinged with Skinner's memory of his father or the much closer English friends he made in adult life. It has a lot to say about techniques of fighting, the facts of army life, the nature of discipline and courage, as well. In fact it stretches the imagination while it warms and refreshes the spirit.

Masquerade is a novel that may recall the crowded, knowledgeable works of Sybille Bedford, or perhaps of Rebecca West. But not quite. It is more romantic, less exact and disciplined, than the writing of either, and throws an interesting light on the treatment of reality by writers using this kind of material. For it is the first novel by the author of a particularly interesting autobiography, Countess Sternberg, and it clearly uses places and ways of life familiar to her. But whereas one could accept the dramatic reversals of fortune and the high adventures of her own life, as she described them in The Journey, it is much harder to take them to heart in fiction; which may seem a contradiction in terms or just an obvious comment on the differences between life and art. Masquerade is highly readable (once started I was hooked and read straight on), but has more than a touch of the preposterous about it. A busy plot and lots of high-coloured characters, set pieces such as a grand country funeral in Schleswig-Holstein and an even grander pre-war ball in Vienna, an old woman who identifies herself with Catherine the Great and whose life almost follows her model's pattern, ghastly reversals of fate (the most beautiful face imaginable burned to an unutterable horror), huge fortunes, vast estates, murders and cover-ups: all these surround Eddie, the English narrator, who goes to tutor a boy on a beautiful estate in Germany and in no time (or so it seems) becomes the grandmother's death-bed confidant, the mother's lover, and the boy's best lifelong friend. I don't say it is impossible to turn this into plausible fiction; just that it seems too obviously the stuff of fiction, therefore hard to use. Perhaps it had best be taken as the romantic romp it may have aimed at being, but it has higher ambitions, I think, than that.

The Lead Soldiers looks at the reality of wartime Europe from a very different angle. Instead of the panoramic view, it gives a child's-eye view of what happened, with everything seen in terms of misunderstood events and games played while these events went on. Two Polish brothers, sons of a Jewish doctor, are trapped in the Warsaw ghetto and then spend two years in Belsen. Throughout their adventures and sufferings they lead an intense inner life with a few lead soldiers that take on the sort of life the Brontës toys had, a reality more real than that around them. The facts seem based on those of the author's life: time in the ghetto, loss of a mother, deportation to Belsen, final freedom and settlement in Israel. The book was published 23 years ago and comes in a not very inspiring translation (the Polish forms of address are kept, causing a great sense of distance); but it is well worth having, especially the early parts, where the confusion of life in the balance, and the children's total lack of understanding of any of it, is very well conveyed. What a muddle, apart from everything else, it seems to have been: the venality and inefficiency of the butchers being as important as anything else. Later, when the story moves to Belsen, it loses intensity; one feels unconvinced of the boys' absorption in their play. Most of Masquerade is about Hitler's Germany, the persecution of the Jews, their feelings and others': judgments are made, knowledge is shown, the general scene is surveyed. In The Lead Soldiers nothing is explained, no comments are made, nothing is seen except the immediate; yet in the tiny vision of childhood there's much more implied about evil, suffering and death.

Among the Ambonese

BY GEOFFREY MOORE

Ambon: Island of Spices by Shirley Deane. John Murray, £5.95, 222 pages

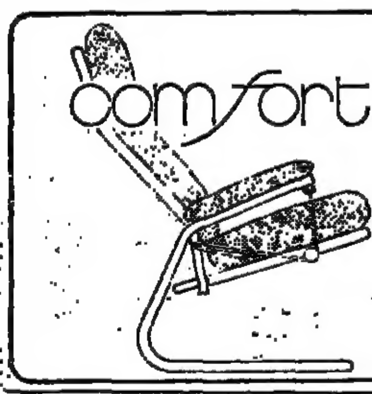
Take one part of The Moon's a Balloon and one part of News from Tartary and you might arrive at something like the style of Ambon: Island of Spices. Shirley Deane writes easily and entertainingly—and that is, paradoxically, the disappointing part. If she stopped trying to be entertaining, this prolific and likable writer could be very good indeed. As it is, life seems too pleasant; she suffers the most outrageous hardships with a whistle and a wave of the hand. It is unfortunate that Miss Deane's Nivenish side should have dogged her throughout her writing career.

An Australian, the daughter of a distinguished public servant, she has written five other accounts of her travels, in addition to two books of fiction. She began her career by taking a First in English at the University of Melbourne, and broadcasting to the troops during the Second World War. After a period in London, she moved with her husband to the Mediterranean, where she brought up her three sons on boats and islands. Alone in the early 1970s she had the courage to volunteer for a poorly paid university job in Indonesia, from which encounter the present book emerged.

This remarkable woman is a dedicated scholar and observer. She commits herself completely to the place she is in—including learning the language, as she is now doing in Cameroon, where she also teaches English to senior officials—and as she has done in every place in which she has lived. She grows into the life of the people and they grow, in their turn, to love her for her interest and openness of her heart. The island on which they live, Ambon, is between New Guinea and Sarawak, in the Banda Sea south of Ceram, and its people are tenacious and independent — as we have learned from their recent encounter with the Dutch in Holland itself. Although this year it celebrates its 404th anniversary, it is still one of the more primitive parts of the world.

With enormous energy, Miss Deane explores her own and other islands, including Saparua and Coram, the Kai and Watubela groups and the Aru islands, and learns about local customs — particularly the power of adat, the traditional way of doing things.

Her pen portraits—of the romantic Mrs. Siribori, the saint-like Hans, Zadrach, her landlord, and the incorrigible Tante Dans — are sharply etched. But one values her most for her almost child-like delight in everything she sees. She is the latter-day equivalent of the intrepid Victorian woman who strode purposefully through the jungle.



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At Number Six, Gloucester Street, Oxford 46806

CHESS

LEONARD BARDEN

Looking for peace

PROBABLY WELL over half of all offers to draw a chess game are improper, that is, made at the wrong time, according to the rules. The relevant law in the FIDE (World Chess Federation) code requires a player to make his move, then propose the agreement to draw, and then start his opponent's clock so that the offer is considered in the opponent's thinking time. The opponent can then decline the offer either verbally or by making a move; in the interval the player who made the offer cannot retract it.

The most important and frequent case of improper draw offers occurs when a player makes a verbal draw offer while it is his own turn to move instead of after making the move. If that happens, the opponent can either accept or refuse at once or can postpone his decision until after the proposer has made his move. This means, from a practical player's viewpoint, that one should normally postpone the decision: if the move played is strong, the draw option remains; if unexpectedly weak, the draw can then be refused with added psychological effect.

Repeated draw offers are both bad etiquette and illegal. A player can legitimately complain to the match controller that persistent attempts at peace negotiations disturb his concentration.

Some players, particularly in master chess, do not offer a draw in so many words. A common procedure is the euphemism "Are you playing to win?" At the 1953 world title candidates tournament in Zurich, Najdorf used this phrase to Boleslavsky. "No!" replied the Soviet grandmaster. "Are you playing to draw, then?" asked Najdorf. "No!" "What are you playing for, then?" "Just to play," retorted Boleslavsky. The game continued, and was later agreed drawn—nevertheless, Boleslavsky had "out-talked" Najdorf.

Draws which are in effect agreed can occur in other ways.

The most important for practical chess is the draw by threefold repetition of the identical position with the same player to move each time. This exact definition is important and ignorance of it has cost even very experienced players half a point.

Thus there are several instances in international play where a threefold repetition has occurred without the actual moves being the same — for example, when one player oscillates first a rook and then a bishop to and fro.

It is only too easy for the side with the advantage to check his score-sheet against repetition of moves and fail to notice that the position has repeated. Even ex-world champion Petrosian fell into this trap at the 1976 interzonal.

The other basic error on threefold repetition is to forget the requirement that the same player has to be on move on each recurrence. This has decided at least two important international games.

One case was at the Haifa Olympiad of 1976 where Ray Keene had to beat his Chilean opponent to qualify for the grandmaster title. The Chilean announced his next move and claimed a repetition draw, but overlooked that Keene was to move when the position had occurred previously. Under FIDE rules the Chilean had to make the announced move, which lost instantly.

A similar occurrence caused Ljubojevic to make a losing move against Korchnoi in the European team championship final at Bath in 1973, and I remember seeing Korchnoi sitting in his chair quietly smiling while his dismayed opponent argued with the arbiter and found that he was committed to a blunder.

Tactical offers of a draw are an important and neglected field. A draw offer is usually good psychology when a poor position is starting to improve, or become obscure; the opponent is likely to feel constrained to turn it down and if his position then deteriorates further he may become demoralised.

At New York in 1949 there was a complete conversation between four people each using only one word. Horowitz had a won game against Najdorf, then a world title contender, but the players had only a few seconds to reach the time control. Najdorf asked: "Draw?" Horowitz (pleased not to lose to the great man): "Draw!" Expert onlooker (noticing that Horowitz was a bishop up): "Draw?" Referee Hans Kmoch: "Draw."

POSITION No. 281

BLACK (5 men)

WHITE (6 men)

This might-have-been ending from Lein v. Podgaets, Riga 1968, defeated both players and a host of analysts. White (to move) is a pawn up but Black threatens to win by bringing his king to K3 and eating the KP. What should be best play for both sides and the ultimate result?

PROBLEM No. 281

BLACK (4 men)

WHITE (11 men)

White mates in three moves, against any defence (by E. Hirst). The composer calls this puzzle "difficult" and various strong solvers have taken between ten minutes and half an hour.

Solutions Page 12

BRIDGE

E. P. C. COTTER

Playing for children

LET ME remind you that the Evening Standard Charity Bridge Congress in aid of the Save the Children Fund, in association with the National Bank of Dubai and sponsored by Lutomer Wines, takes place at the Europa Hotel from Friday, August 24 to Monday August 27. The chief event, the E.S. Pairs for the Bank of Dubai Trophy, will be decided over three sessions. The Lutomer Wines Team Championship, a Swiss Teams event, is also over three sessions. There are a large number of valuable prizes in all events.

For entry forms and full details apply to Brigitte Aubert, E.S. Charity Congress, 47 Shoe Lane, London, E.C.4. Tel. 353 8000, ext. 3531.

My first hand today comes from rubber bridge of expert standard:

N.
♠ 9 7 5 3 2
♡ J 7
◇ Q 7
♣ A 9 7 2

W.
♠ K 4
♡ 10 9 8 4 2
◇ J 8 6 5
♣ Q 5

E.
♠ A
♡ K Q 6 3
◇ 10 9 4 3 2
♣ J 6 4

S.
♠ Q J 10 8 6
♡ A 5
◇ A K
♣ K 10 8 3

With North-South vulnerable South dealt and bid one spade, North raised to two spades—he is not worth more—and South rebid four spades.

When West led the heart ten, dummy and East played low, and the Ace won. The declarer appeared to have four losers, two trumps, a heart and a club, but he reduced them to three by a double endplay and good card reading.

After cashing Ace, King of diamonds, he threw the lead with a heart. East won, and cashed his trump Ace in order to avoid being thrown in again. He counted South for two red doubletons, five trumps and four clubs, so he returned the heart King, knowing that one ruff discard would not be fatal.

South ruffed in hand, discarding a club from the table, and led another trump. Now West was endplayed. He knew that a second ruff discard would be fatal, so he led the club Queen. The declarer had already made up his mind to play for split honours, so he won with dummy's Ace, returned a club, finessing the ten, and made the contract.

My second example occurred in a Championship Pairs:

N.
♠ K Q 8 7
♡ 5 4
◇ K Q J
♣ J 10 7 4

W.
♠ 9 6 5 4 3
♡ 6
◇ 10 9 8 2
♣ 9 6 3

E.
♠ A J 10 2
♡ J 9 3 2
◇ 5 4
♣ A 5 2

S.
♠ —
♡ A K Q 10 8 7
◇ A 7 6 3
♣ K Q 8

At game all South bid two hearts, to which North replied with three no trumps, showing something like a two no trump response to an opening one-bid, and South went straight to six hearts. West led the diamond ten. Six hearts was the popular contract round the room, but almost all the South players went down, because after winning the lead in dummy, they drew trumps, and could not avoid losing a heart and a club.

Only one thing can beat the slam—four trumps to the Knave in one hand. If East happens to hold them, his Knave can be picked up if proper precautions are taken to deal with this emergency.

At trick two South should lead a low spade and ruff in hand, then draw two rounds of trumps, learning the bad news. He cashes King and Queen of clubs, and East cleverly holds off.

South crosses to dummy's diamond Queen. He leads the spade King, intending to run it—he must play East for the Ace, because he needs another winner—but East covers, South ruffs and throws East in with a third club.

The forced spade return allows South to discard a diamond on dummy's Queen. The Knave of clubs follows, on which South's diamond Ace is thrown, and now the eight of spades catches East in a trump coup.

HOW TO SPEND IT

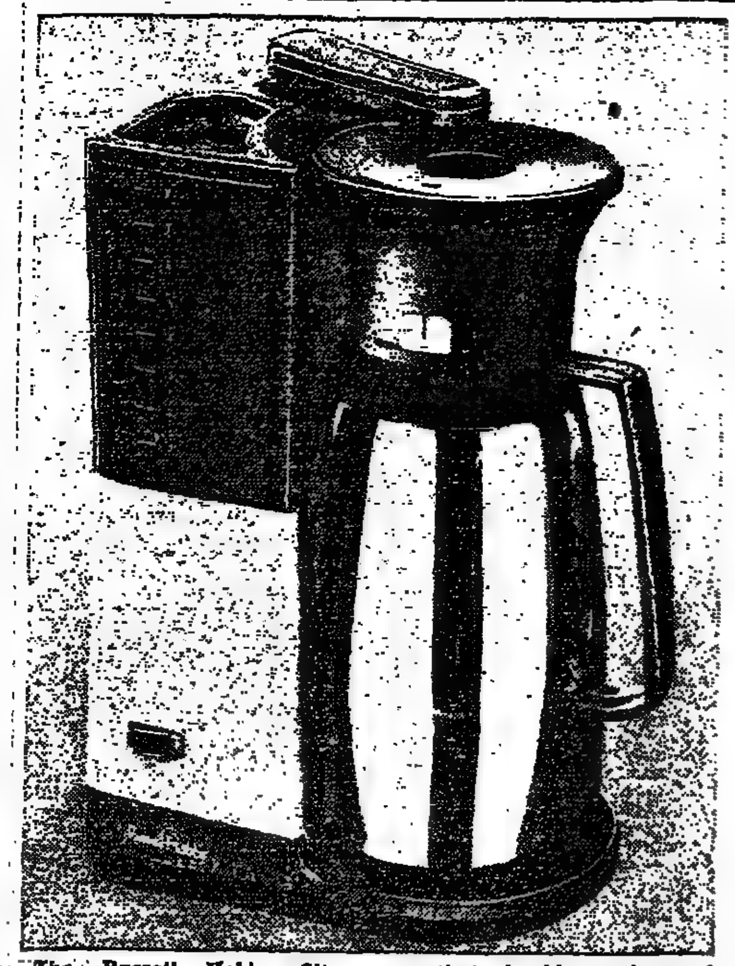
هكذا من الأصل

by Lucia van der Post

COFFEE BREAK

I hardly know a household where the making of coffee isn't the subject of endless debate. There are those who like the simplest method of all—pouring boiling water on freshly-ground coffee in a jug—and then there are those who swear by all manner of gadgetry. I certainly think that a good cup of hot, strong coffee is a basic culinary accomplishment and, as you can spend anything between a couple of pounds and over a hundred pounds on machinery, this week I've decided to look into some of the new gadgets around and see whether it is worth investing in one of them or not.

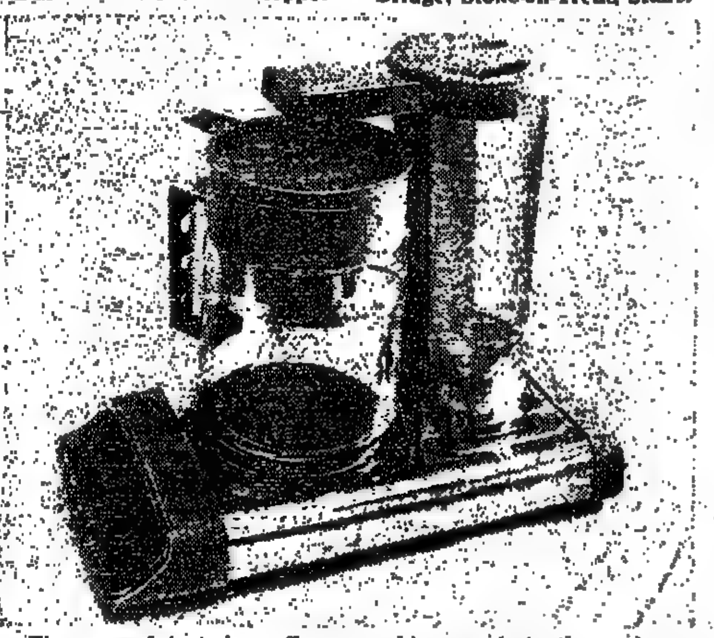
Apart from the machinery the other requirement for really good coffee is—fresh coffee beans. Grinding them yourself just before use gives much the best flavour and if you don't live near a shop that sells really good coffee if you write to us enclosing a sae we'll send you a copy of an article on coffee beans that we ran last year which lists several companies specialising in orders by mail. Write to the "How To Spend It Page" and mark your envelope "coffee."



The Russell Hobbs filter coffee maker is exceedingly sleek and trim to look at and easy to use, once you get the hang of the system. It makes up to eight cups of coffee in a very short time, though the eight cups are definitely after-dinner size cups not breakfast-size. For breakfast I always make three of their cups (measurements are marked on the side) for two of my cups.

The great feature of this machine is that the coffee is made into a sleek vacuum flask which has its own stopper so that should members of your family dribble down to breakfast in relays (as mine do) you can make the coffee, help yourself and then put the stopper on the flask which will then keep it hot until it is needed.

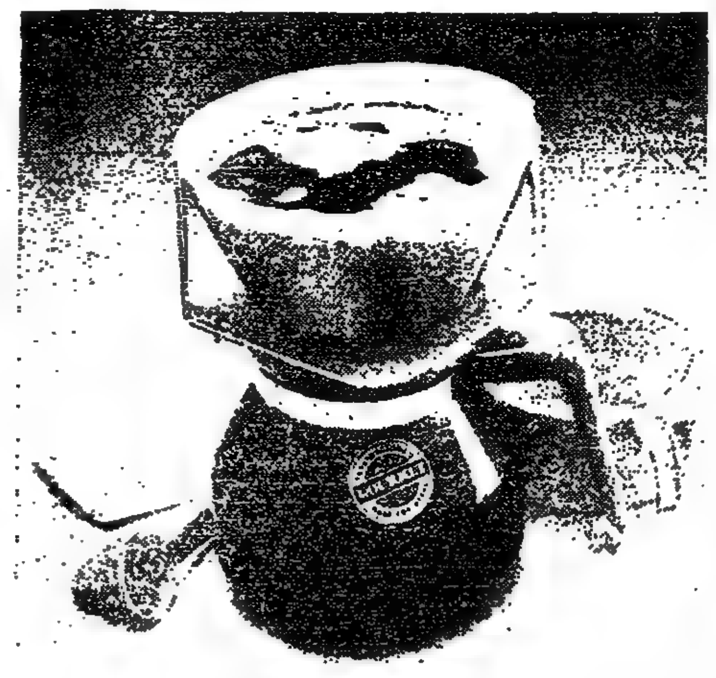
The machine is about £29 and is so new it is just filtering into shops like Harrods, Selfridges and the Army and Navy in London. For out of London stockists write to: Customer Relation Department, TI Russell Hobbs, PO Box 1, Blythe Bridge, Stoke-on-Trent, Staffs.



The very latest in coffee machines is the Moulinex Automatic Coffee Maker. Its chief claim to fame is that, besides making excellent coffee, it can be programmed to make that coffee at any hour you choose—in other words, where once it was just tea-drinkers who could wake up to find their favourite brew ready and waiting for them, now coffee-drinkers, too, can know that delicious sense of waking to the smell of freshly-made coffee. There is no alarm attached to the machine so you have to organise your own waking-up but there is a mechanism for keeping the ready-made coffee hot should you oversleep. The design is efficient, the machine makes up to nine cups of coffee in eight minutes, and though it gurgles like Vesuvius, it really does make the whole business very easy. One slight snag—the machine is rather large for the average bedside table, measuring some seven ins by 13½ ins by 11 ins.

It costs about £30 and is available from a large number of good department stores, including Harrods of Knightsbridge, and John Lewis.

For those who live alone or are the only coffee drinkers in the family Fondona make a filter coffee cup that makes coffee for one person. Most filter systems depend upon disposable filter papers but with this cup no papers are used—you put the ground coffee into a recess in the stainless steel top, cover it with the filter tray and pour hot water over it all. The whole unit is made of high quality stainless steel and can be washed in the dishwasher. The Fondona can be bought from department stores including Harrods and Fenwicks of Brent Cross, for about £4.60. Alternatively if you have trouble tracking it down you can buy it direct from Fondona, 112 Anson Road, London, NW2 (£4.85 plus 60p p+p).

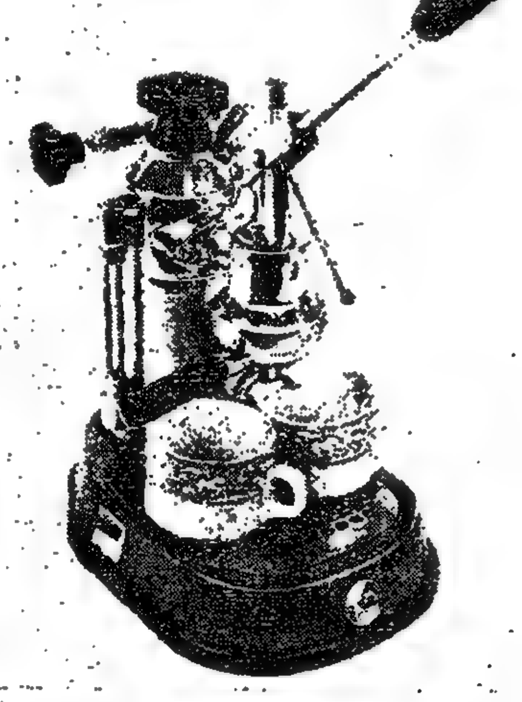


The filter method of making coffee (whereby boiling water seeps slowly through the ground coffee) is, after the jug and boiling water system, much the simplest and safest way of making coffee. The coffee cannot boil, the results are never bitter though the drawback is that the coffee is not always very hot due to the time taken for the hot water to seep through. This simple but effective coffee maker is made by the only British manufacturer making filter systems, Gourmet Coffee Systems of 17 Mere View Industrial Estate, Yaxley, Peterborough.

Gourmet Systems discovered that no more than 3 per cent of all housewives who make coffee ever make more than three to four cups at a time so they decided to produce two sizes of filter coffee makers—the "Compact" (photographed here) which produces between two and six cups and the "De Luxe" which makes up to eight cups.

Whereas with most filter systems the top filter rests rather precariously on the top of the jug and can easily be toppled over, this particular model is designed so that the cone drops into the coffee jug by about 1½ ins making the whole appliance much more stable.

Most good delicatessen shops and good department stores sell the filters — the "Compact" is £4.16, the "De Luxe," £4.99.



Those who become addicted to espresso coffee say that there is nothing else quite like it. It is, of course, the typically Italian way of making coffee and it is becoming increasingly popular over here. The water passes through the coffee beans more quickly than with most other systems and extracts maximum flavour from them so that both strength and flavour are improved. The cognoscenti can tell at once whether coffee has been made by the filter, percolator or espresso method.

Pavoni, who are to espresso machines what Rolls-Royce is to cars, have a domestic espresso machine on sale in this country which is the Pavoni Europiccola. It is very expensive (£100 or over), though aficionados say it is worth every penny and it does after all, last a lifetime. It makes both espresso and capuccino "almost immediately." You put the water in one place, coffee in the other, pull the lever and lo and behold there is enough for two cups. For more coffee, you just repeat the process. To make capuccino, you add milk.

Find it at Harrods of Knightsbridge or the Algerian Coffee Stores, 52 Old Compton Street, London W1.

Stopper style

IF you're looking for a special present these globe shaped bottles with the Lalique-like frosted stoppers are extraordinarily pretty. I'm never quite sure who uses perfume bottles as most perfumes arrive in bottles which are very pretty in their own right but these are certainly appealing enough to induce almost anybody to find some reason for using them. All the bottles are made from crystal while the stoppers vary—there's a choice of a winged Pegasus, a horse, elephant or a group of waving flowers. Each bottle costs about £15.00 and is made by Wuidart Glass.

There is a good selection at Fenwicks of Brent Cross and Crofts of Norwich now; larger supplies will be available from Liberty's perfumery department and from John English Gifts, 6 Princes Arcade, Piccadilly, London, W1, from the middle of next week. For other stockists write to: Wuidart Glass, 15 Rathbone Place, London, W1.

Gallic flavour

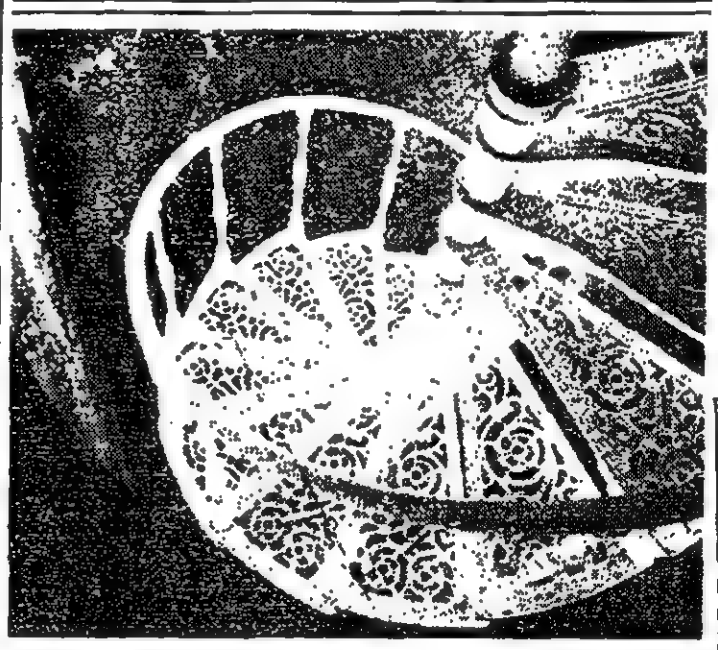
READERS WHO were interested in Judy Whale's article on short courses at British cookery schools might like to know of the experience of a reader, Mrs. Deane de Chassiron, who went to France to learn to cook. She so enjoyed it that she felt others might like to know about it.

"The course was arranged by the "En Famille Agency," Westbury House, Queen's Lane, Arundel, Sussex (Tel. 0903 883266) and was really marvellous and incredible value for £108 that we paid for a six-day residential course. This included travel by train, hovercraft and coach.

"It was held in a lovely large country house near Lille and we were treated as family by our charming host and hostess. Madame, the mother of ten, was an absolute expert and gave us about four to five hours daily in her kitchen where she demonstrated a mouth-watering range of dishes—from meat and fish to sweets and gateaux. All in French, of course, so a knowledge of the language is a must, but it does not have to be fluent as she spoke very clearly, and all the ingredients were written on a blackboard.

"We then ate the dishes, accompanied by the appropriate wines. We had an aperitif before every meal, and a champagne buffet on the last night."

Any reader who would like to know more should write directly to the En Famille agency.



Twist and turn

IF YOU'RE short of space, the easiest and the most space-saving way of getting from one floor to another is by means of the spiral staircase—you don't need landings and corridors and all the other space that the conventional staircase uses up. They can also be exceedingly decorative as this photograph of a cast-iron Victorian reproduction spiral staircase shows.

However, most of us, unless we're architects or engineers, are rather ignorant about the technical problems that a spiral staircase might involve. Albion Designs, who make the spiral staircase photographed here, have opened a spiral staircase centre where potential buyers can seek advice on every aspect of their installation.

The centre is at 12 Flitcroft Street, Charing Cross Road, London, WC2, and it is open from 9.00 to 5.30, from Monday to Friday. Besides their own cast-iron reproduction staircases they have examples of wood, concrete and many other types. They have trained advisers who will be able to explain which installation might be most suitable for the needs of the house, how to comply with building regulations and, if you really can't find a builder of your own, would be able to put you in touch with a builder.

If you're thinking that just such a staircase might transform your house, prices start at £500 for a staircase and the minimum total, including installation costs, is likely to be £750.

Nordic nosh

ANYBODY who has ever been to Scandinavia in midsummer will know all about the crayfish parties which are one of the highlights of the summer season. This year Selfridges of Oxford Street, London W1 has decided to import crayfish by the kilo to introduce the British to this northern delicacy. Unfortunately you can only buy them if you go to the shop in person for although the crayfish are deep-frozen they cannot be dispatched by van or mail in case they should spoil. The 1 kilo packs contain between 20 and 30 crayfish specially prepared in a dill brine and they cost £7.50 a kilo. Each pack includes suggestions for serving but Selfridges tells me they are best if left to defrost and then lifted from the dill and served quite plain. You could also serve them in a creamy sauce if you fancy something more elaborate.

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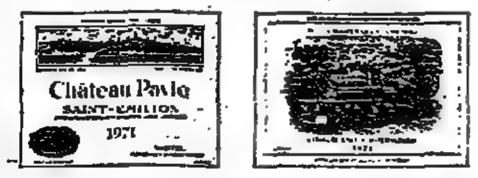
1970 Graham	£6.62
1970 Dow	£6.29
NV Cockburns Special Reserve	£3.09



Claret	PRICE PER BOTTLE
1970 Ch. Mouton-Rothschild (Pauillac) CB	£26.62
1970 Ch. Brane-Cantenac (Margaux) CB	£8.89
1971 Ch. Lafite (Pauillac) CB	£21.58
1971 Ch. Ducru-Beaucaillou (St. Julien) CB	£7.88
1971 Ch. Pavie (St. Emilion) CB	£7.45
1973 Ch. Gazin (Pomerol) CB	£6.38
1973 Ch. Potensac (Médoc) CB	£3.50
1976 Ch. L'Escadre (Côtes de Blaye) FB	£2.45
1976 Ch. Piron (Bordeaux)	£2.08
White Bordeaux	
1975 Ch. Rieussec (Sauternes) CB	£6.94
1975 Ch. Guiraud (Sauternes) CB	£6.39
1976 Ch. La Louvière (Graves) CB	£3.17
Red Burgundy	
1972 Bonnes Mares (Louis Jadot) FB	£11.50
1972 Vosne-Romanée (Groffier Léger) FB	£5.99
1973 Aloxe-Corton (Moreau Fontaine) FB	£6.55
1973 Santenay (Groffier Léger)	£2.99
White Burgundy	
1975 Mâcon Villages (Moillard) FB	£2.87
1977 Chablis, Domaine de Bieville DB	£5.07
1977 Louis Jadot Reserve FB	£3.82

FB-French bottled DB-Domaine bottled CB-Chateau bottled

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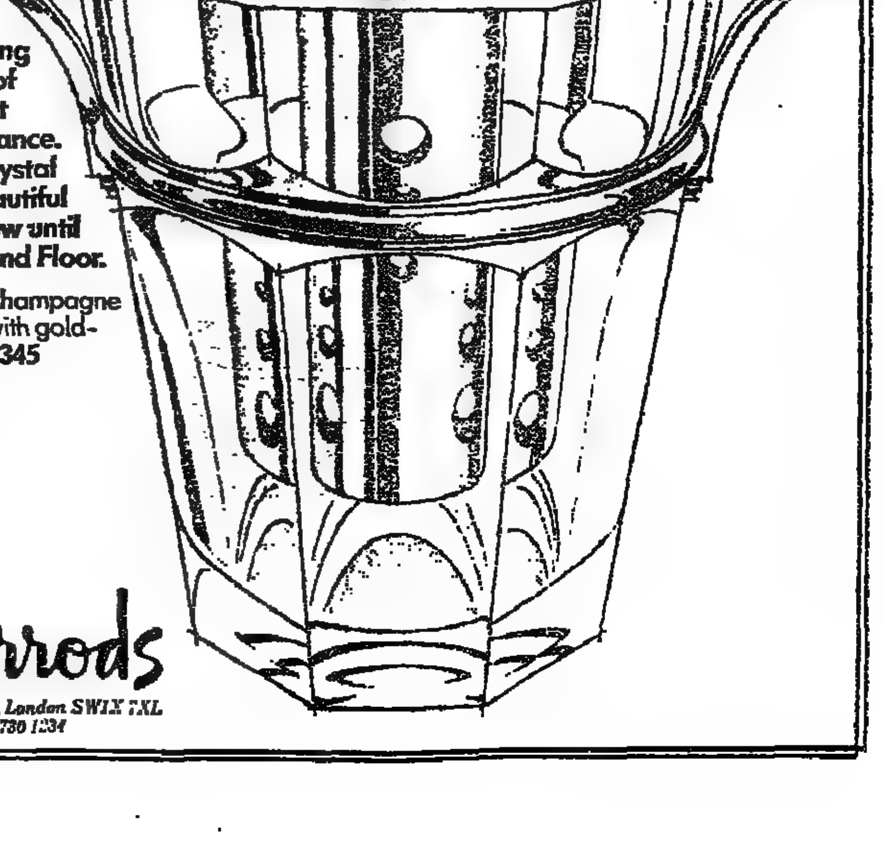

This year, our annual China & Glass Exhibition features many rare and exciting items, including an exclusive collection of porcelain from Russia and a magnificent range of crystal vases by Baccarat of France. The dazzling display of pieces in lead crystal is just part of the superb selection of beautiful things you can admire, and buy, from now until September 7th in the Central Hall, Ground Floor.

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ARTS

On with the new at Pitlochry . . .

The Pitlochry Festival Theatre—"Scotland's Theatre in the Hills"—is now well into its 29th season with a typically varied repertory of six plays by Tom Gallacher, William Norfolk, Anthony Lesser, Ayckbourn, Coward and Shaw. At the same time the dream of the Festival Director, Dr. Kenneth Ireland, of a new theatre building with an outlook over the River Tummel to replace the present "temporary" building put up just after the war, has at last started to take tangible form. Cement has been stirred, foundations laid, scaffolding erected, and a provisional date fixed to open the season at the new address in 1981. The present theatre will then be turned into a much needed store for the company's scenery and costumes.

The cost of the new theatre has been estimated at around £1.5m and this sum has been raised from an unusual combination of private and public sources. The Festival Society has already raised more than £290,000 from its many Friends and is now approaching industry and charitable trusts for a similar amount. Grants of approximately £1m will come from the Scottish Arts Council, the Scottish Tourist Board, Tayside Regional Council, Perth and Kinross District Council, the North of Scotland Hydro-Electric Board and the Countryside Commission for Scotland. Meanwhile a grant of £475,200 has been received from the Regional Development Fund of the EEC.

This, as Dr. Ireland explains, is the first grant of its kind given by the EEC to a theatre, and it has been awarded on such a generous scale because the theatre will make a significant contribution to the economy of an under-developed area and to the tourist industry of Scotland. The seating capacity will be 530, slightly larger than the present theatre; but still preserving the intimate Pitlochry atmosphere and permitting even more ambitious productions.

A second phase of the project will include the facility to convert the entrance foyer into a studio theatre seating 160 where a chamber or children's play could be running at the same time as a production in the main auditorium. There will also be a restaurant as in the present building where the art exhibitions and the Plays in Progress coffee-mornings will continue. Nowadays these occur at regular intervals on Saturdays in the Brown Trout Restaurant which becomes an ad-hoc theatre-in-the-round where a play, or part of a play, is performed by members of the company, followed by a discussion between the author, members of the audience, the actors and the director, with the Pitlochry theatre's writer-in-residence acting as umpire.

I attended the most recent of these performance-discussions. A new one-act play by the Glasgow author James Quinn, *The Scorchers* was performed. It involved five people, drinks cabinet and record-player. The staccato dialogue gripped you by the lapels and for the next 20 minutes refused to let you go, although at the end of it there did not seem to be much there beyond some slick, well-timed role-play. A surgeon and his wife share a guilty secret which haunts their lives. Two aggressive young men and a sexy girlfriend enter their drawing room to which they appear to have been invited. The talk turns to the past and its enigmas. The archaic words "orphan" and "orphanage" stick out like sore thumbs. Could one of the young men be the abandoned son of the couple? Is he now Orestes-like going to murder his putative father with either the knife or the revolver he produces from his pocket? It was Greek to me; especially as an ancient model of patricide and revelation was manipulated somewhat mechanically with the help of some pinter-type pauses and groupings.

The audience seemed baffled by it and so were the cast to judge from some remarks by actor David Sterne who gave an even livelier performance afterwards in discussion than he had during the play. One lady ventured to suggest that while the younger people wanted to discover the past and with it their own identity, the older couple needed to bury the past to live fully. "You should have directed it, dear," interrupted Mr. Sterne.

A middle-aged American theatre director in blue denim said he thought the play was worth getting right and gave a line-by-line analysis of it. The author who then spoke had no enlightenment to divulge but agreed with the American that one particular line should have been cut. The theatre's writer-in-residence Eric MacDonald chaired this discussion with good-humour and suggested we should think of the play as a formal exercise and not ponder anything that might have happened outside the room in which it was set.

Eric MacDonald succeeded Tom Gallacher in the writing chair here, but Mr. Gallacher is still very much present at Pitlochry this season as the author of *Jenny*, a play which received its world premiere in the main auditorium. It treats in a less mysteriously personal way the theme of Mr. Gallacher's earlier play, *Our Kindness to Five Persons*, performed at Pitlochry two years ago (see FT August 31, 1977), of a Mr. Valiant-For-Truth in the midst of a family of nice, ordinary self-seeking people causing a complete upheaval in their lives. Only here it is a Miss Valiant-For-Truth in the person of the eponymous heroine, demurely portrayed by Moira Lamb, who lives with her dull stupid sister (Anne White) and her even duller brother-in-law (Jonathan Battersby). While they mind the shop Jenny does freelance copy-typing for aspiring authors and playwrights. In addition, Jenny has the reputation of being an "ancient marineress" who once she fixes you makes it impossible for you to escape her penetration. The sister is so incensed by this approach to people that she tries to get Jenny sent away for psychiatric treatment but Simon Cuff's sensible doctor politely refuses to be a party to this little plan. We see Jenny in conversation both with her sister and brother-in-law and with the fatuous local headmaster (Richard Matthews) where her clarity of vision and good sense shines out blindingly.


Simon Cuff and Moira Lamb in "Jenny"

The trouble is that, in Stuart Mungall's production, the other characters are played almost as caricatures beside Jenny's super-reality.

However, in the second half of the drama when she becomes involved with the world of television, through a play she has doctored while typing in order to make it more truthful, the opposition to her attitudes becomes more subtly depicted and the conflict more interesting. Jenny tries her skill on a chat-show host (Michael Mackenzie) and his researcher, made by Beverly Walding into a tough women's libber with a manner as rude as Jenny's is straightforward. Needless to say, Jenny takes to TV instantly. She turns into a kind of latter-day Lady Barnett and through her new riches becomes the benefactor of her relations who are freed from their shop-keeping. The ending is in our modern world all too plausible, unfortunately. It is a thoughtful piece intelligently performed by the company. Most of the other plays in the repertory are less challenging in intention and more popular in style. I hope to deal with them in another article.

ANTHONY CURTIS

. . . and at Edinburgh

The Edinburgh Festival, which opens tomorrow and closes three weeks later on September 8, has a new director. John Drummond has succeeded Peter Diamand and produced a programme that is well up to usual standards but especially improved in the drama department.

The Festival theme, which is not too slavishly pursued, is the 50th anniversary of the death of Sergei Diaghilev. The great impresario will be remembered in lectures by Anton Dolin and Richard Buckle; in an exhibition of dance costumes including that of Nijinsky for *Petrushka*; by Scottish Opera at the King's Theatre in both Rimsky-Korsakov's *The Golden Cockerel*, first produced by Diaghilev, and a centenary production of *Eugene Onegin* (Chaikovsky was Diaghilev's favourite composer); and by the Glasgow Citizens in a revival of Robert David MacDonald's *Chinchilla* at the Lyceum Theatre.

Chinchilla, first noticed in these columns in April, 1977, features many characters loosely based on members of the Diaghilev company: the Master himself, fading away with his reminiscences on the Venice Lido, Gabriel Astruc, the manager who first brought the Russian Ballet to Europe, Nijinsky and Massine, Bakst and Karsavina. The other contribution from the Citizens is the British premiere of Goldoni's *The Good-Humoured Ladies*. The play was the source of a famous ballet choreographed by Massine for Diaghilev, and the costumes of Leon Bakst are to be re-created by Sue Blane.

Elsewhere in the Festival, the Lyceum is occupied for the first week by the Rustaveli Theatre from Georgia. I saw this astonishing company two years ago at an arts festival in Mexico, where they roused a local audience in the colonial city of Guanajuato to expressions of ecstasy with their full-blooded production of Brecht's *Caucasian Chalk Circle*. It remains to be seen whether Edinburgh can drop its inhibitions and become equally excited but, in the role of Azdak, they will see one of the great actors of the world in the bulky shape of Ramaz Chjkvadzye. Chjkvadzye is also playing the lead role in a new production of Shakespeare's *Richard III*.

At the Assembly Hall, the Bristol Old Vic will be on duty throughout with revivals of Shakespeare's *Troilus and Cressida*, directed by Richard Cottrell, with a young and attractive actor, Jonathan Kent, playing opposite a more mature Cressida, Meg Davies; and of Farquar's mercenary, military classic set in a sleepy Shrewsbury, *The Recruiting Officer*. This latter show will be directed by Adrian Noble, one of the most talented young directors to emerge in recent years.

Scottish Opera are sharing the King's Theatre with Kent Opera, for whom Jill Gomez makes her debut in the role of Violetta in a new production of Verdi's *La traviata* by Jonathan Miller. Kent also bring their production of Gluck's *Iphigenia in Tauris*, much-admired in these columns. This will be Kent Opera's first appearance at the Festival and just recognition of their achievement over the past few years under the musical direction of Roger Norrington.

The opening concert on August 19 in the Usher Hall will be given by the BBC Symphony Orchestra, with Rozhdestvensky conducting a programme of Prokoviev and Stravinsky in honour of Diaghilev. Soloists appearing later on with the orchestra include Margaret Marshall, Sir Peter Pears and the Bulgarian bass, Nicola Ghiuselev. The London Symphony Orchestra, under Abbado, will give three concerts, one of them with the great Maurizio Pollini (playing Chopin's Piano Concerto No. 2), another with the popular flautist James Galway.

On September 3, the Hallé Orchestra under James Loughran will give the world premiere of Richard Rodney Bennett's *Sonnets to Orpheus*, a work for cello and orchestra dedicated to, and played by, the cellist Heinrich Schiff.

There are countless other riches on offer, with the Rostropovich family out in force, recitals by the Medici Quartet and the Stuttgart Piano Trio, and Henryk Szeryng playing Bach and Mozart concertos with the Polish Chamber Orchestra.

The dance programme is no less enticing, with Alicia Alonso bringing her National Ballet of Cuba to Britain for the first time, Merce Cunningham appearing with his own company in performances and workshops at Moray House, and the Sadler's Wells Royal Ballet presenting a Diaghilev programme and two world premieres on The Meadows in a tent with seating for more than 1,000 people. The new ballets are choreographed by Kenneth MacMillan and David Bintley.

Of course, at this time of year, Edinburgh is a place for sauntering and chancing your arm, perhaps, with the fringe theatre programme. It is impossible to predict what the fringe will yield, but the Science Fiction Theatre of Liverpool, led by the irrepressible Ken Campbell, are taking their 24-hour epic, *The Warp*, to the Regent Cinema in Abbey Mount. Five complete cycles of the ten plays are scheduled. If you have the stamina, it is not to be missed.

Dipping into the bran tub, two Jewish doctors from Mill Hill may be worth a risk in *Smythe and Goldstein* in St. George's West Church, while London's best amateur troupe, the Questors from Ealing, are at the George Square Theatre in a quartet of plays inspired by Michael Green's *The Art of Coarse Acting*. One of them, *Henry the Tenth (Part Seven)* is an unknown Shakespeare offering plenty of scope for the Coarse Actor, described by Mr. Green as "one who can remember the lines but not necessarily in the right order."

MICHAEL COVENEY

Arts Council committee to investigate light opera

The Arts Council has set up a committee to investigate the demand for light opera in Britain. Its terms of reference are: "To examine the demand for light opera in the UK and to propose suitable methods for meeting any demand so identified with particular reference to touring possibilities."

The committee will be chaired by Robert Scott, Administrator of the Palace Theatre, Manchester, and its members will include: Ronald Crichton, Financial Times music critic and member of the Arts Council's opera sub-committee; Marcus Dods, the conductor; and Andrew Lamb, critic, writer and light opera enthusiast.

Elly Ameling

In the place of Jessye Norman, unable to appear, the Summer Music recital on Thursday at the Elizabeth Hall was given by Elly Ameling and Dalton Baldwin. "At very short notice," we were told, but there was no sign of under-preparation from either soprano or pianist. Mozart (a short opening group), Ravel, and a second half entirely of Schubert were given with cool, poised, illuminating finesse.

Is there a better singer of Schubert appearing regularly today than Miss Ameling? She uses her excellent voice with unfailing address, she is beautifully musical, has intelligence, sensitivity, humour when needed, variety; she is not coy or arch; she has no pseudo-Viennese airs and graces, is never over-emphatic. The two "Suleika" songs (poems almost by Goethe) were ravishing for the quality of the music (high even by Schubert's standards), and for a partnership between voice and piano so complete that the harmonic shading, though clearly including both ingredients, seemed to come from one source. The simpler, bleaker side of Schubert was most poignantly represented by "Das Mädchen" and the desolate "Du liebst mich nicht."

The Ravel group brought *Shéhérazade* in the piano version, with Eugenia Zukerman to play the flute solos in the second and third songs. The transcription (by Ravel) nearly works with performers of this calibre, but not quite—too much of the orchestral surge and glitter of "Asie" stay hidden behind the sustaining pedal. The exact degree of supprt for the voice must be terribly hard to gauge. In "La Flûte enchantée" and "L'Indifférent" Miss Zukerman's fluting was admirable, but she was placed so far forward on the platform that, while she did not cover the singer's voice, some of the words disappeared—curious effect. All the same one could hear how well Miss Ameling was shaping the voice part and, in the *Five Greek Folksongs*, be re-assured that her French was as clear as ever.

RONALD CRICHTON

Youth at the Albert Hall

Mr. Edward Heath picks up his baton again tomorrow night when he conducts the European Community Youth Orchestra in a concert at the Albert Hall. Mr. Heath will be responsible for the Beethoven overture Prometheus. Then Claudio Abbado takes the stand for the Beethoven piano concerto No. 4 in G with Murray Perahia as the soloist followed by Bruckner's seventh symphony.

The Albert Hall concert is the last of the ECYO's summer tour, which has taken the 120-strong group of young musicians drawn from the nine member countries of the EEC to Avignon, Venice, Salzburg, Berlin, Copenhagen, and Ghent. A measure of the quality of the orchestra is that Claudio Abbado has conducted it at every concert and among the other soloists involved have been Dietrich Fischer-Dieskau and Margaret Price.

Strong overseas entry for Benson and Hedges Gold Award

The international status of the Benson and Hedges Gold Award competition for concert singers has been strengthened this year by a formidable overseas entry. For the first time there are more foreign than British singers. Out of the total of 44 acceptances there are no fewer than 25 singers from 10 countries other than Britain.

The U.S. lead the overseas challenge with 13 entries. The other countries include Canada, Australia, Norway, Denmark, Germany, Austria, New Zealand, Korea and Japan.

The first stage in the quest for the £2,500 first prize takes place at the Royal Overseas League, St. James's, in London on August 21, 22 and 23 and is open to the public.

TV Radio

†Indicates programme in black and white

BBC 1

7.15-8.30 am Open University (Ultra high frequency only). 9.00 Mister Men. 9.15 Boss Cat. 9.40 The Record Breakers. 10.05 Horseback. †10.30 Zorro. 11.22 Weather. 11.25 Cricket: Third Test: England v. India.

12.30 pm *Grandstand: Football Focus* (12.35); Cricket: Third Test (1.10, 2.05, 2.35, 3.05, 3.50); Evening (1.10, 2.05, 2.35, 3.05, 4.15) The Midland Bank Horse Trials; Rugby League (1.30) New Zealand v. Great Britain: Third Test; Boxing Preview from Atlantic City, U.S. (1.40); Racing from Newbury (1.50, 2.20, 2.50); 3.45 Half-time Football Scores; *Athletics (3.50, 4.30)* The Seiko Southern Counties AAA Championships; 4.40 *Final Score*.

5.10 News.
5.20 Sport/Regional News.
5.25 The Hardy Boys and Nancy Drew Mysteries.
6.10 Juke Box Jury.
6.40 Saturday Night at the Movies: "Paradise, Hawaiian Style," starring Elvis Presley.
8.10 Seaside Special.
9.00 News.
9.10 Match of the Day Special.
10.20 John Conteh fight at Atlantic City.
11.00 The Quest.

All Regions as BBC1 except at the following times:—

Scotland—4.55-5.10 pm Scoreboard. *5.20-5.25* Scoreboard. 9.10-11.00 Sportscene. 11.50 News, Weather for Scotland.

Wales — 11.50 pm News, Weather for Wales.

Northern Ireland—11.20 am Irish National Swimming Championships. 12.30 pm Join BBC1 (Grandstand). 4.15 Swimming Championships. 4.40 Join BBC1 (Grandstand). 5.00-5.10 Scoreboard. 5.20-5.25 Northern Ireland News. *11.50* News, Weather for Northern Ireland.

BBC 2

7.40 am-2.45 pm Open University.
2.45 pm Saturday Cinema: "Bhowani Junction," starring Ava Gardner.
4.30 Cricket: Third Test: England v. India.
6.35 Yankee Doodle Cricket.
7.00 Network.
7.30 News and Sport.
7.45 Diaghilev (1872-1929): A portrait by Tamara Geva.
9.00 Hitler—A film from Germany.
†10.35 Masters of Terror: "The Mummy's Hand."
11.40 News on 2.
11.45 Cricket: Third Test (highlights).
12.10 am Masters of Terror: "The Satanic Rites of Dracula."

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.03 Playground. 8.00 Ed Stewart with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.00 Rock On (S). 5.30 It's Rock 'n' Roll (S). 6.31 In Concert (S). 7.30 Chris Jones. 10.00 Al Matthews with Dicovatin'. 12.00-6.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Peddy O'Byrne (S). 8.06 David Jacobs (S). 10.02 Kevin Morrison (S). 12.02 pm *Mike Yarwood with Star Choice* (S). 1.02 The Impressionists. 1.30-6.00 Sport on 2: Football League Special (1.30, 2.00, 2.45, 3.05, 3.40); Test Cricket (1.30, 2.00, 2.45, 3.30, 4.50, 5.45) England v India; Racing from Newbury (2.25, 2.55, 3.25); Sports Report (5.00) including 5.00, 5.45 Classified football checks; 5.45 Classified Racing check. 6.03 Europe '79. 7.02 Three in A Row. 7.30 Sports Desk. 7.33 Radio 2 Top Tunes (S). *8.00 The Ted Heath Orchestra (S).* 9.00 Proms '79, part 2: Suppé, Johann Strauss father, and son (continued from Radio 3 7.30 pm) (S). 10.02 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore with the Late Show (S), including 12.00 News. 2.02-6.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Stereo Release (S). 11.25 Cricket: Third Test, England v India, including 1.35 pm News. 1.40 Call the Commentators. 2.00 *Lunchtime scoreboard*. 6.40 Concerto Grosso (S). 7.30 Proms '79, part 1: Beethoven, Mozart (Part 2 on Radio 2). (S). 8.30 Letter from Salzburg. 8.50 Jan *Degaetani song recital (S)*. 9.15 Borges at 80 (S). 10.30 Bartok and Schubert Quartets (S). 11.55-12.00 News.

VHF with Medium Wave above except 6.00-8.00 am and 11.25 am-6.40 pm as follows: 6.00-8.00 am Open University. 11.25 Bandstand (S). 11.55 Czech Philharmonic Orchestra. 1.00 pm News. 1.05 Thomas Arne (S). 1.55 Daniel Barenboim pianist and conductor (S). 3.30 Berlioz (S). 5.00 Jazz Record Requests (S). 5.45-6.40 Piano Recital (S).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; programme news. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; programme news. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 On the Pier. 9.00 News. 9.05 International Assignment. 9.30 Talking Politics. 9.55 News Stand. 10.15 Daily Service. 10.30 Pick of the Week (S). 11.20 Time for Verse. 11.30 Wildlife. 11.55 Sounding Off. 12.00 News. 12.02 pm Away From It All. 12.27 The News Quiz (S). 12.55 Weather; programme news. 1.00 News. *1.10 Britton on Britain* (S). 2.00 Origins. 2.30 Saturday Afternoon Theatre. 3.25 My Delight. 3.30 Does He Take Sugar? 4.00 The Magic of *Music*. 4.45 A Sideways Look at . . . 5.00 Kaleidoscope Encore. 5.25 A Bar For Nothing. 5.50 Shipping Forecast. 5.55 Weather; programme news. 6.00 *News*. 6.15 *Desert Island Discs* with Boris Christoff. 6.50 Pen to Paper (S). 7.30 Baker's Dozen (S). 8.30 Saturday-night Theatre (S). 10.00 News. 10.15 A Word in Edgways. 11.00 Lighten Our Darkness. 11.15 How to. . . . 11.45 Just Before Midnight. 12.00 News.

London Broadcasting

BBC Radio London

5.00 am As Radio 2. 7.32 Good Fishing. 8.00 News; Weather, traffic, shopping, sport. 8.15 The London Gardener. 8.30 London Country. 11.30 The Robbie Vincent Show. 2.00 pm RAIL celebrates 100 years of electric railways. 3.00-6.00 am Join Radio 2.

Capital Radio

6.00 am Kerry Juby's Breakfast Show (S). 9.00 Capital Countdown with Peter Young (S). 12.00 Kenny Everett (S). 3.30 pm Duncan Johnson's Afternoon Delight (S). 6.00 Greg Edwards's Soul Spectrum (S). 8.00 Alan "Fluff" Freeman's Six of the Best (S). 12.00 Mike Allen's Midnight Special (S). 4.00 am The Collection (Classical Music) (S).

WEEKEND CHOICE

SATURDAY: Unless you are punch-drunk or dance-crazy, hope for a sunny weekend. The best that the BBC can offer — you can forget ITV ad nauseum—is the the Big Fight, Conteh versus Matthew Muhammed (formerly Matt Franklin) for the world light-heavyweight title by satellite on One at 10.20 or a profile of Diaghilev, who died fifty years ago tomorrow, on Two at 7.45. Oh yes, the soccer season starts yet again and Match of the Day will be over-enthusiastic from 9.10 onwards.

SUNDAY: An orgy for classical music lovers with a Prom on One at 10.25 and the opening concert from the Edinburgh Festival on Two at 8.00, featuring Stravinsky's The Rite of Spring. Murder International at 11.00 on Two should sober you up with a classic French thriller The Samurai, starring Alain and Nathalie Delon and which, amazingly among the flood of repeats, is getting its first British television screening.

A.T.

TV RATINGS w/e August 12

UK TOP 20 (viewers m)

1	Seaside Special (BBC)	15.80
2	Des O'Connor Tonight (BBC)	14.65
3	To Catch a Thief (BBC)	14.55
4	Sword of Justice (BBC)	14.30
5	It Ain't Half Hot Mum (BBC)	13.85
6	The Hunchback of Notre Dame (BBC)	12.55
7	Return to Paradise (BBC)	12.25
8	Star Trek (BBC)	12.05
9	Golden Fiddle Awards (BBC)	11.90
10	Juke Box Jury (BBC)	11.80
11	Nine O'Clock News (Fri) (BBC)	11.45
12	Coronation St. (Mon) (Gran) (Shown all areas except Southern)	11.40
13	Nine O'Clock News (Tue) (BBC)	11.05
14	Nine O'Clock News (Thur) (BBC)	10.80
15	Nine O'Clock News (Wed) (BBC)	10.70
16	Top of the Pops (BBC)	10.55
17	Citizen Smith (BBC)	10.50
18	The Onedin Line (BBC)	10.00
19	Crossroads (Mon) (ATV) (Shown all areas except Southern)	9.95
20	The Hollywood Greats (BBC)	9.85

All areas were affected by industrial action during the week.

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1	Jeffersons (comedy) (CBS)	24.7
2	Alice (comedy) (CBS)	24.5
3	One Day at a Time (comedy) (CBS)	23.2
4	WKRP in Cincinnati (comedy) (CBS)	22.5
5	M*A*S*H (comedy) (CBS)	22.2
6	Charlie's Angels (drama) (ABC)	21.7
7	Vegas (drama) (ABC)	21.6
8	Three's Company (comedy) (ABC)	21.1
	Lou Grant (drama) (CBS)	21.1
10	Barney Miller (comedy) (ABC)	20.9
	Carter Country (comedy) (ABC)	20.9

CHESS SOLUTIONS

Solution to Position No. 281

A draw. 1 P-KR4 (else White loses), PxP (P-N5? 2 P-R5 wins); 2 K-B3, K-R3! (K-N3? 3 KxP, K-B2, 4 (K-N5); 3 KxP, K-N3, 4 K-N3, K-B2! (not K-N4? 5 K-B3 wins the P); 5 K-B3, K-R2, and White must repeat moves since 6 K-B4? K-K3 loses.

Solution to Problem No. 281

1 N-R5, K-Q3; 2 B-K7 ch, K-Q2; 3 N-B6. If K-N5; 2 R-QB2 and 3 B-K7. If P-Q5; 2 B-K7 ch, K-Q4; 3 N-B6. If K-Q5; 2 R-Q2 ch, K-B6 3 BxRP or here 2. . . K-K6; 3 BxNP, or 2 . . . K-B4 or K4; 3 B-K7 (B7).

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards 01-240 5258. Reservations 01-836 3161. ENGLISH NATIONAL OPERA Tonight 5.30 The Valkyrie. Tues. & Thurs 7.30: Die Fledermaus. Wed. 5.30 Siegfried. Fri 7.30: La Traviata. [illegible]

ROYAL FESTIVAL HALL. [illegible]

SADLER'S WELLS THEATRE. [illegible]

THEATRES

ADELPHI THEATRE. [illegible]

AMBASSADORS. CC. 01-836 1171. Evs. 8.00. Fri. and Sat. 5.30 and 8.30. DINSDALE LANDEN, GWEN WATFORD, DAVID BURKE, ANGELA DOWN in BODIES by James Saunders. "THE IMPACT HIT ME LIKE A THUNDERBOLT FROM JOVE. THE LANGUAGE BLAZES WITH WIT AND INTELLIGENCE AND ITS THEME ELECTRIFIES." Daily Mail. BODIES "WHEN WE HAVE LAUGHED AT ITS [illegible]

COLLEGIATE THEATRE. 01-388 7824. 387 9629. Tom Stoppard's latest play DOGG'S HAMLET CAHOOT'S MACBETH by the British American Repertory Company. World Premiere tour. Must go to U.S. Sept. 2nd. "Funny . . . knockabout farce." "Impressive . . . funny . . . slabs of Shakespeare which chill the blood." D. TEL. "Inspired compression of the tragedies." —FIN. TIMES. "Zany farce . . . unrelenting jokes." "Ingenious . . . beautiful scholarly jape." "Lightning cartoon Hamlet."—GDN. [illegible]

GLOBE THEATRE. CC. 01-437 1592. Mon. to Fri. Evs. 8.00. Mats. Wed. 3.00. Saturdays 5.00 and 8.30. ANTON RODGERS, GEMMA CRAVEN, DIANE LANGTON, ANDREW C. WADSWORTH, DAVID HEALY in SONGBOOK. A new musical by MONTY NORMAN and JULIAN MORE. "A TOUCH OF MUSICAL MAGIC." NOW. "THIS STUNNING OCCASION. THE BEST BRITISH MUSICAL OF THIS YEAR AND A FEW GONE BY." FIN. [illegible]

MAYFAIR. 01-629 3036. Evenings 8.00. Sat. 6.00 and 8.45. A DAY IN HOLLYWOOD A NIGHT IN THE UKRAINE. A MUSICAL REVUE. "Superlative non-stop comedy." E. News. "Laugh not . . . sheer fun . . . not to be missed." S. Express. "The funniest script the Marx Brothers never wrote." Daily Mail.

NATIONAL THEATRE 'S' cc 928 2252. OLIVIER (open stage) Today 2.45 & 7.30 Mon. 7.30 AS YOU LIKE IT by Shakespeare. LYTTELTON (proscenium stage): Today [illegible]

PRINCE EDWARD. CC. 01-437 6877. Evenings 8.00. Mats. Thurs., Sat. 3.00. EVITA by Tim Rice and Andrew Lloyd-Webber. Directed by Harold Prince.

PRINCE OF WALES. CC. 01-930 8681. Card bookings 930 0846. Mon., Thurs 8.00. Fri. and Sat. 6.00 and 8.45. Michael Denison, Dulcie Gray. ALAN AYCKBOURN'S smash-hit comedy BEDROOM FARCE. "If you don't laugh, sue me." D. Exp. A National Theatre Production. Over 500 Performances. [illegible]

TALK OF THE TOWN. CC. 01-734 5051. AIR CONDITIONING. CREDIT CARDS. [illegible] At 11 SECOND GRECO. From Mon. HELEN GELZER. [illegible]

VAUDEVILLE. CC. 01-836 9988. Eve. 8. Mat. Wed. 2.45. Sat. 5 and 8.30. EDWARD FOX in THE FAMILY REUNION by T. S. ELIOT. "Sheer Magic." Financial Times. [illegible]

CINEMAS

ABC 1 & 2 SHAFTESBURY AVE. 836 8861. Sep. Perfs. ALL SEATS BOOKABLE. 1: THE DEER HUNTER (X). Wk. & Sun. [illegible] 2: LOVE AT FIRST BITE (AA). [illegible]

CLASSIC 1, 2, 3, Haymarket (Piccadilly Circus Tube). 01-839 1527. 1: J. R. R. Tolkien's THE LORD OF THE RINGS (A). In Dolby stereo. [illegible] 2: George Hamilton LOVE AT FIRST BITE (AA). [illegible]

هكذا من الأصل

هكذا من الأجل

LEISURE

Naive appeal

Martin Leman's "The Sisters" from the Rona Guide To The World of Naive Art £3.50. The current Rona (Register of Naive Artists) exhibition is at the Guildhall Art Gallery, King Street, Cheapside, EC2, 10 am to 5 pm, until August 30.

COLLECTING

JUNE FIELD

"DISCOVERING THESE pictures can be likened to the pleasures of fishing. From time to time one comes up with an exciting and rewarding catch," wrote Andreas Kalman in the introduction to the catalogue of his "English Naive Paintings" exhibition in London in the summer of 1971.

I still get enormous pleasure leafing through that 1971 catalogue, savouring the caption on the Country Fête, "Rare Old Port, Strawberries and Cream, Ladies!" originally joined to a panel showing a scene of Visitors' Day at a small country house, with cakes, fruit and wine being passed around. The illustration of the pugilist Tom Sayers (1826-1865), champion of England at the end of the 1850s exudes strength and solidarity. (Born in Brighton, he worked as a bricklayer before going in to the fight game, from which he retired undefeated after his last bout against American John C. Heenan when the result was declared a draw.) Rat-catching, bear-baiting, fighting cocks, prize sheep and bulls, all are there in robust glory.

Many of the paintings, particularly those of Victorian and Edwardian vintage, were unsigned. The named work of the more contemporary artists have particularly stood the test of time—Alfred Wallis (1855-1942), James Lloyd (1906-1974), and Elizabeth Allen (1883-1967), whose rag-mosaic pictures had already been acclaimed in an exhibition organised by the Crane Kalman Gallery at the Whitworth Art Gallery in 1966.

America's appreciation of its native artists goes back to the 1920s, and over the years enthusiasts have gradually pieced together many names and identities. One of the most well-documented is Anna May Robertson Moses (1860-1961), who because she was in her late 70s when she began her career as an artist, became known as Grandma Moses. She had no formal training, and a sparse education; at the age of 12 she became a "hired girl," working for 15 years before marrying in 1887, the hired man of one of the families she worked for. The National Gallery of Art, Washington, to whom Edgar William and Bernice Chrysler Garbisch gifted much of their superb American folk art collections, mounted a retrospective of this remarkable woman's output earlier this year. The paintings are carefully matched in with real life events and anecdotes in the excellent catalogue. It needs reading in conjunction with Grandma Moses' lively *My Life's History* (Andre Deutsch 1952), edited by Otto Kallir, her dealer, biographer and friend, who died last year at the age of 84 after helping to organise the museum show.

In the "How I paint" chapter she described how she "got a frame, then I saw my masonite board to fit the frame," adding: "I always thought it a good idea to build the sty before getting the pig, likewise with young men, get the home before the wedding."

Helen Bradley, who died last month at the age of 79, was hailed as Grandma Bradley in the United States, although in the introduction to the catalogue of this year's summer exhibition of her work at W. H. Patterson's Albemarle Street Gallery, Lord Rhodes was quick to make the point that she was not a Lancashire mill town Grandma Moses, but "a fascinating raconteur and painter in her own right." Yet she too, did not take up painting until she was 65, and had very little formal education.

Collectors in a more modest sphere should study *The Rona Guide To The World of Naive Art*, published by the Register of Naive Artists, a splendid illustrated and informative directory of the work of a host of contemporary artists in this country and overseas, whose work can be bought for reasonable sums, say £100-£500, possibly less. (£4.00 including postage from Stanley Harries, director RONA, 6 Duke of York Street, London SW1). The group's latest exhibition, "London Naive Painters" is at the Guildhall Art Gallery, King Street, Cheapside, London EC2, 10-5, until August 30, where you can see an immense amount to gladden the eye.

Dealers who also exhibit the work of natives and primitives from time to time include Crane Arts, 321 King's Road, SW3, Iona Antiques, Stand 11, Antiques Hypermarket, 26 Kensington High Street, W8, Gavin Graham Gallery, 47 Ledbury Road, W11, Portal Gallery, 16a Grafton Street, W1, Porthill International Gallery, 12 New Quebec Street, W1, Rutland Gallery, 32a St. George Street, W1, and Windsor and Eton Fine Arts Company, 12 Thames Street, Windsor, Berks.

RESTAURANTS

BY DAVID BELL

TAKE £250,000, some old English recipes and a disused vegetable warehouse in Covent Garden. Add a video terminal, a mini-computer and bleepers for all the waitresses.

The restaurant in question—Porters in Henrietta Street, *Covent Garden*—has only been open six weeks, not long enough to come to firm conclusions about quality over the long haul. But it certainly deserves a visit if only because the medium-priced sector of British catering so desperately needs the kind of improvement it is trying to make.

Porters is owned by Viscount Newport, the 31-year-old son of the Earl of Bradford, who has already been involved in several businesses in and out of catering.

He, and his adviser Mr. Alan Lorrimer (who is currently running the restaurant in its start-up phase) were well aware of the implications of the fast food revolution that has already swept the U.S. But, while recognising that ever-rising costs have pushed restaurateurs further from art, and closer to science, they were anxious to avoid the somewhat plastic food and atmosphere of some fast food restaurants.

They also and this, as any English parent of young children knows, is a real revolution, decided that they would welcome children, particularly at lunch time. Most English restaurants—of course—positively hate children.

The search was therefore on for premises large enough to get economies of scale, central enough to attract enough people and attractive enough for the kind of place they envisaged. By chance, last November they found a 5,000 square foot vegetable warehouse in Covent Garden for £25,000 a year. Eight months later, Porters is already drawing some 2,500 people a week and the owner is optimistic that this figure will climb still more sharply once the August lull is over.

Rents, labour, rates and food rise so fast nowadays that a restaurant like Porters has to be run with maximum efficiency to achieve enough turnover to make it profitable.

So Mr. Lorrimer devised a careful menu whose chief feature is a range of individually cooked pies (steak and kidney, lamb and apricot, chicken and leek, haddock and cod and so on). These are complemented by a small list of starters (smoked mackerel, home-made soup, etc.) and some puddings (bread and butter pudding, treacle sponge, home-made water ices and so on). All are made on the premises.

Each item on the menu has its own number and waitresses who take the orders pass them directly to the cashier. They are then keyed into a small video terminal, and the chef, in the kitchen one floor below, receives an immediate print out. This dispenses with a lot of paper, means that the waitress no longer has to keep walking up and down the stairs just to give her orders and ensures that the chef does not have to listen to a host of orders shouted down a microphone. At the end of the meal the cash register, which is also a computer, translates each code number into letters and prints out a fully itemised bill.

If the restaurant is quiet the waitress can relax out of sight and the cashier can call her to her tables using a different bleeper code when customers arrive. There is also an emergency code in case of bomb scares, drunks, illness, etc.

The net effect of this is that it cuts down the time taken to serve each meal and means that fewer waitresses can be used more efficiently. When, and if, Porters opens other branches the video terminal and the computer cash registers can be connected to a central point which can monitor operations.

Indeed it may be possible to do some of the daily food preparations — vegetable cutting, pastry making and the like — out of the high cost centre of London where the space used by the kitchens is very expensive.

That is very much in the future. For now, it is safe to say that the system does seem to work. An unannounced test lunch last Saturday with two children (aged 2 and 4) and my wife was certainly a pleasant experience. A high chair was offered, without even being requested, for my two year old. Service was quick, but very friendly. My wife's lamb and apricot pie was delicious and the children enjoyed their chicken and leek pie (they shared one between two and a second plate was produce automatically). Unhappily, my chicken pie was a little cold at the centre. But the salads and the glasses of white wine were good and the peach and strawberry ice creams delicious. With two glasses of Coca-Cola, coffee and VAT the bill came to £9.26.

While that is not cheap it is certainly quite reasonable by today's standards.

Mr. Lorimer's latest idea, so far only a gleam in his eye, is that waitresses should even do away with order pads and use hand-held electronic order machines instead. These would input the order direct into the computer and the video terminal.

The season's greetings

SOCCER

TREVOR BAILEY

THE PRE-SEASON is a happy period full of hope, sun and confidence. The managers and coaches are convinced that this really will be their year, and they will be able to satisfy the frequently extravagant demands of their directors, which is essential and also that of the club's supporters, which helps. In the main, their players are fresh, bronze, fit and enthusiastic. They have convinced themselves that the slight modification to last year's back four has tightened up the defence and it certainly appears to work in practice games, while the new striker, bought for a give-away £200,000, will provide those missing goals.

Today the 1979-80 football season commences, and reality takes over. This is the moment of truth, when the dreams, wishes and promises of one manager come face to face with those of his counterpart of another club, and doubts first arise. This will not apply to Bob Paisley, even in the unlikely event of Liverpool being beaten by Wolverhampton Wanderers away. Last Saturday he saw his team demolish the cup-holders, Arsenal, in the Charity Shield with a brilliant display, which must surely guarantee them further successes. They possess the balance, the teamwork, and the players. Kennedy, Souness, McDermott and Case are currently the most efficient mid-field quartet in the country. The only thing that Bob has to fear is a string of injuries, but even then he would be far better off than any other manager, because his reserve cover is exceptionally talented.

For some managers in the lower divisions, some of their optimism has already departed in the disappointment of a speedy elimination from the League Cup. Five second division clubs, Watford, Leicester, Charlton, Luton, and Bristol Rovers already have no further interest, which suggests that once again this division contains too many competent, workman-like sides lacking the quality to rise higher; but the supporters at the Valley this week were rather premature to be calling for the head of Andy Nelson after Charlton had been beaten on aggregate by fourth division Peterborough. It must be admitted that there seems little to recommend starting the League Cup on a two-legged basis quite so early, apart from cash.

Who among the first division clubs, other than Liverpool, can look confidently forward to the future? Under that remarkable duo of Messrs. Clough and Taylor, Nottingham Forest, the European champions, are again bound to make their presence felt. Like the machine from Merseyside, they also have a splendidly disciplined defence and a magnificent goal-keeper to back up their sharp forwards and an inventive mid-field, in which the individual brilliance of players like Francis has been harmonised into the requirements of the side. They also possess the asset of being a brave team, prepared to take knocks, as Brian Clough is not prepared to tolerate the faint-hearted.

In many respects, the most fascinating of today's fixtures is the meeting between Brighton, making their first ever appearance in the first division, and Arsenal, who at their best are one of the most entertaining and efficient teams in the country. Brighton were impressive last season when gaining promotion and their first task will be to establish themselves among the hierarchy and to avoid the fate of so many, the quick return. Mullery's men should achieve this objective and might well prove to be a force in the hardest, and most demanding league in the world.

Another team to watch are the splendidly managed WBA. Although they have lost Cunningham to Europe, they have purchased two exciting replacements, Barnes and Owen from Manchester City. The Midlanders certainly promise rather more than City, under the controversial Malcolm Allison. Malcolm has virtually rebuilt his team, which failed to play its potential last winter, there must be doubts as to whether this new set-up will click immediately and provide the consistency required. Manchester City start against another newcomer, Crystal Palace, who, like Brighton, have much to offer spectators, but possess even greater potential because they have just about the most promising group of youngsters around.

The other Manchester club, United, have just completed what should prove one of the best, as well as the most expensive signings, Ray Wilkins. Unlike some of the recent, near-hysterical transfers, this should prove to be highly beneficial not only for the club but also for the player. Wilkins seems destined to play a major role in England's next pursuit of the World Cup, and his own game is likely to improve far more in the fresh challenge, and the new environment of Old Trafford than struggling in the second division with Chelsea. Manchester United look a good bet for one of the two knock-out cups.

The huge sums which have recently been spent on players, some of whom are unlikely to justify the expenditure has been very alarming, while it cannot bode well for Everton's prospects that some of their best footballers should be requesting transfers before the commencement of the season.

Apart from the obvious choices, I rather fancy Ipswich, who have lost only two of their last 23 league games, and are hoping to gain their first home win at the expense of Forest, though a draw is the more logical outcome. Anoter club who on occasions promised much is Coventry, but they will almost certainly miss that splendid competitor Yorath, as he has just signed for Tottenham Hotspur and should provide his new club with some of the character it lacks. Villa were close to having an outstanding team two years ago but with Gray and Gidman unsettled it is impossible to make an assessment of their chances for the current season.

In the second division I shall be disappointed if the two North-East clubs, Sunderland and Newcastle, fail to gain promotion, but, am less optimistic about the chances of West Ham, and still less about those of QPR, despite the arrival of the irrepressible Docherty and several large signings.

Agony and ecstasy

GOLF

BEN WRIGHT

THIS WEEK traditionally sees the best professional and amateur golfers of this continent gathered together here not only for the immensely lucrative $400 000 Westchester Classic, this year sponsored by the Manufacturers' Hanover Trust banking concern, but to honour many players and officials as the banquet circuit dominates the pre-tournament activities.

The only Briton to be honoured, albeit in his avoidable absence, was Henry Cotton, who shared the Walter Hagen award, presented by Dr. Leonard Simpson of the famous London men's outfitting firm, with the legendary Roberto de Vincenzo. Not surprisingly, the lovable Argentinian was accorded a standing ovation, as he accepted the trophy at the Metropolitan Golf Writers and Golfcasters Association's annual awards dinner on Wednesday evening.

The recipient of the major award, however, was Tom Watson, who took away the Gold Tee as golfer of the year. The only foreigner ever to win this trophy since its origin in 1952 was Gary Player in 1973. But it is the 33-year-old Australian David Graham, who was honoured at the dinner as winner two weeks ago of the U.S. PGA Championship, who is currently the dominant foreign-born player on this tour. The gutsy Australian, who won the Westchester Classic when the total purse was worth $260,000, when sponsored by American Express in 1976 yesterday carried on where he had left off in Oakland Hills with a blistering opening round of 65 in this year's event on a difficult, blustery day to steal a three strokes advantage over his nearest rival. The incredibly consistent Watson lurks amongst seven players, sharing third place at 69, 2 under par.

I was astonished on Wednesday evening to discover that Tony Jacklin had never received the Gold Tee award. When Jacklin was at his peak, having just won the U.S. Open in 1970, less than 12 months after his momentous Open Championship victory at Royal Lytham and St. Annes, the award strangely went to Billy Casper, the 1970 U.S. Masters champion. In 1971 the award naturally went to Lee Trevino, who had won the American, Canadian and British Opens within a month that summer.

I make the point only because I have just finished reading a most controversial book, recently published in Britain by Hamlyn at the price of £5.95, entitled: "Tony Jacklin — The Price of Success." The authoress, Liz Kahn, left no stone unturned in interviewing on a tape-recorder Jacklin's playing colleagues on both sides of the Atlantic, his friends, golf writers and commentators, caddies, but without doubt most importantly Jacklin himself. This is a searching study of the stifling pressures that exist at the top level in world class professional golf, the selfishness, the bickering, the sweet taste of success and gall of failure. It is at once both a fascinating and deeply disturbing book — disturbing because in my mind it will do Jacklin no good at all with his loyal legion of admirers. His transparent bitterness about so many facets of his existence pervades the entire work.

For instance, I am only too willing to admit that the British Press were very hard on Jacklin because, in the absence of heroes to worship, they always expected too much of him. And when Jacklin failed to deliver, they more than occasionally ruthlessly ripped him apart. A particularly bitter tirade from Jacklin in a chapter entitled "Gentlemen of the Press" contains such comments as: "I do not consider I have any real friends in the Press," and concludes: "As it happens, I have had to learn the bloody hard way — the Press have helped me less than anyone."

Perhaps the most shocking diatribe to me is directed against Henry Cotton, and Jacklin's words have no place in these columns. It saddens me greatly that Tony appears so bitterly resentful and disparaging in his comments on so many people I imagined he regarded to be friends. This is the sad message that [illegible] throughout a most [illegible] book. It must be said, [illegible] [illegible] subjects with the maximum of delay [illegible] referred earlier to both Watson and Graham, both of whom I admire immensely. They are as different as chalk and cheese in terms of background. Watson was introduced to golf by his well-to-do father, and had his own set of cut-down golf-clubs at the age of six. For Graham life was a contrastingly hard uphill battle as a virtual orphan, who was seldom better off than penniless, who became a teenaged bankrupt, and has clawed his way to the top with sheer, raw courage over here. For Watson there was a distinguished amateur career and a classical education in psychology at Stanford University.

I close with one of Watson's stories from his gracious speech of acceptance on Wednesday evening. He told us that the pressure had been immense, when Jack Nicklaus forced him to hole the final putt to win the 1977 Open Championship at Turnberry after their epic 36-holes duel. But he reported that it was nothing compared to that he had experienced as a seven-year-old on holiday with his indulgent father in Colorado. On the first tee, the club professional told Watson Senior that the boy could not play because the course was too busy to be cluttered up by children.

Watson Senior pointed to a ditch crossing the fairway 75 yards from the tee. If the boy could carry the ditch, he asked, could he play? The professional [illegible]. With the honour of [illegible] Tom teed [illegible] and lashed at it [illegible] number three [illegible] 130 yards, a fair indication of things to come.

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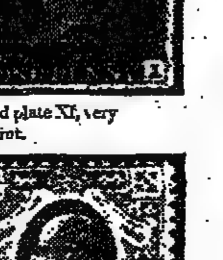

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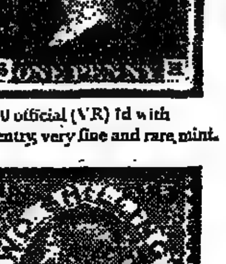

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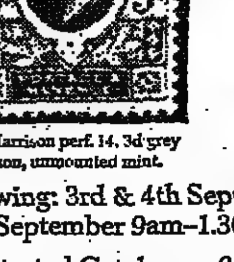

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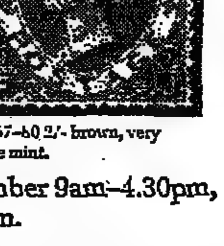

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Seeds from the garden

GARDENING

ARTHUR HELLYER

HOW SENSIBLE is it to save seed at home? For some purposes very sensible indeed, for others a waste of time so it is worth thinking a little about what makes the difference.

By no means all plants produce seedlings exactly like themselves. This may not matter or may even be an advantage if one is looking for something new but it is certainly no use saving seed from one of the fine new first generation hybrid (F1) annuals and expecting to get a batch of seedlings as uniform as those produced from the raisers' seeds. In fact the F1 system is, in part, a device for giving raisers an absolute monopoly on each of their varieties since to produce it two distinct inbred plants have to be crossed and these parent stocks are never distributed to anyone else. Sometimes in the second generation the hybrid breaks up so badly that it is useless but this is not always so and some very good second generation (F2) hybrids are produced. Some are distributed but some are not since more money is to be made out of the expensive F1s. This is not the kind of information that is likely to be disclosed in any publication. One has to find it out for oneself if it seems worth the trouble which it rarely is.

One is on much safer ground with species which do, as a rule, produce fairly uniform seedlings though here again there are exceptions. Varieties selected for some special quality, white forms of normally coloured flowers, for example, are unlikely to breed true, that is, to produce seedlings closely resembling themselves, unless they are grown in isolation so that they are self pollinated, and even that may not be sufficient. Again the amount of detailed information available is limited and one must usually find out by experiment. For my part I am nearly always happy to do so for the chances of interesting results are usually good.

Vegetables are just as varied in their behaviour as flowers. Runner beans are self pollinating plants and it is quite safe to retain some pods to produce seeds if you think it is worth the trouble. It well could be for seeds get more and more expensive every year. But do not wait until late September before making up your mind. If you want home-raised runner bean seed retain a few early pods specially for that purpose so that they have plenty of time to ripen properly on the plant. Runner beans are tender and if the bean pods get frozen in October it is unlikely that any of the seeds inside them will be any use.

Which brings me to the important matter of harvesting. Ideally seeds should ripen on the plant but if they are seeds from plants that flower late that may be difficult. There is usually quite a short period between the time that seed is ripe and the time at which it is discharged, sometimes no more than a few days. I keep a sharp eye on any seeds I want and gather them directly I see the pods are commencing to split, the seed heads are beginning to get loose or the fruits are getting soft.

Usually I only require a few seeds of any one thing and just two or three pods, heads or fruits will suffice. If they are really ripe, brown and ready to scatter, I simply shake them into an envelope or seed pocket but if there is any doubt I cut them with a good length of stem, lay them in paper lined trays and place them in a dry place, such as a greenhouse or window, until they are discharging naturally.

It is sometimes a problem to know just when to sow home-raised seeds. Vegetables usually have a fairly precise growing season and so there is little or no difference between the sowing time of home-produced and purchased seeds. Tomatoes, for example, which save quite well at home if they are not F1 hybrids, must be sown in late winter for an early crop and in spring for later summer cropping. Onions and leeks are two other good crops to save at home except that it is necessary to wait a further year for the plants to flower and produce seed. There are plenty of expert exhibitors who find it worth their while to do just that since they have perfected strains of their own which they regard as superior to anything they can buy. By contrast it is useless to save seed from most of the brassica family since all are hopelessly promiscuous, crossing happily with any other brassica in sight. The only exception I know is the Russian kale which keeps itself to itself whatever the company. For all these the sowing times will be the same, however the seed is produced.

With ornamental plants it is not always so cut and dried. Seedsmen do not usually sell flower seeds before about mid-winter because it takes until then to harvest, ripen, clean, packet and distribute the seeds.

At home one has the option of much earlier sowing and this is often worth doing. Unless I have strong reasons for doing otherwise I usually sow half the seed at once and the other half in the spring. Germination of some seeds, delphiniums, for example, is spectacularly better if sown as soon as ripe instead of in the spring unless the seed is stored at a fairly low temperature, as in the bottom of a domestic refrigerator. Many tree and shrub seeds germinate best after a period of cold which can either be given by keeping seed for about three months in a refrigerator or by sowing outdoors in the autumn and so exposing the seed to the natural winter cold.

Yet there are dangers in late summer or autumn sowing. If the seed germinates quickly it will be necessary to carry small seedlings through the winter. It is not just the cold that is a hazard but also the rain, the pests, particularly slugs and snails, and the diseases, particularly grey mould. Of course one can take precautions by retaining the seedlings in a greenhouse or other well lighted shelter, putting cloches over them, scattering slug pellets around them, dusting them with flowers of sulphur and so on. Even so one can finish up by losing the lot which is why I keep half the seed until the spring.

Among the most difficult are the very hard coated seeds. A Scottish friend sent me seeds of Lathyrus rotundifolius, a perennial pea with much smaller, more richly coloured flowers than those of the common everlasting pea Lathyrus latifolius. The seeds were small, round and very hard and I was scared of chipping them with the point of a penknife. How was I to hold such tiny, mobile things without transfixing my own fingers? I tried other methods; soaking them in warm water, placing them over the hot water radiator even tapping them gently with a hammer. In fact that was the only thing which worked and I did eventually get three seedlings.

Another friend assures me that he puts some difficult seeds in the oven until they pop. I have never had the nerve to try it. Experts use dilute sulphuric acid to soften the hard coats of some seeds but that requires experience. The truth is that one is never likely to finish learning about seeds and it is much cheaper to do the learning with home-saved seeds that cost nothing than with purchased seeds that cost a lot.

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Figures from the past

BY THE end of last week, mild financial jitters about the UK economy began to be evident in London and in the international currency markets. Faced with the biggest monthly rise in retail prices ever recorded in a single month, with rumours of very bad trade figures on Monday, and with the Chancellor's blunt remarks about UK performance in the U.S., sterling, gilts and equities all fell. The figures, after all, are compatible with warnings that prospects for the UK are "almost frighteningly bad."

Modest rise

The one major fault in this picture is that neither of the figures mentioned above conveys any news. The retail price index reflects the consequences of a Budget which was welcomed as much by foreign as by home investors. Once allowance is made for this, and for the favourable effect of a sharp drop in seasonal food prices, there has been only a modest rise in the underlying rate of inflation. Retail prices, of course, are themselves something of ancient history as an economic indicator; they come at the end of a long pipeline from initial costs. There is still no clear reason to correct official inflation forecasts made in June so far as 1979 is concerned. For 1980, much depends on the outcome of the next wage round.

The trade figures again are a backward-looking indicator in two senses. First, they will start to unwind distortions already amended. Secondly, they represent orders completed and delivered; it is the trend of export and import orders which gives a clue to the future. There has been a forbidding turn for the worse in export confidence, as the CBI reported some time ago; but against that, the balance of paymens will benefit from oil self-sufficiency (which implies net earnings, since North Sea oil commands a premium price) and could benefit sharply if consumer spending turns down, as many forecasters expect.

Market reactions which look to the past rather than to the future suggest that the lengendary foreign investors have indeed been active enough to affect the balance of the market, as is confirmed by the latest money supply figures, which show large foreign deposits and stock purchases. Those investing outside their own country normally read the bold figures rather than the small print.

Confidence

A more realistic assessment of current trends depends on indicators which are not so obvious, or so easy to interpret. The retail figures and those for consumer spending, for example, confirm the very sharp boom in consumer spending up to mid-July, but are less clear in assessing the subsequent relapse.

The apparently sharp fall in private sector borrowing shown in the July money supply figures at first sight lend weight to anecdotal reports of a sharp change in consumer confidence; but these figures are themselves distorted by increasing resort to lending outside the banking system, and by some accruals of VAT to commercial companies, who hand it on to the revenue in arrears. The trends of both consumer and credit demand will become clearer in later months; that is one reason for official warnings about the persistence of high interest rates for some time.

In any case the pressures to make any early reduction in rates have now eased. The new regime of Mr. Paul Volcker at the Fed in Washington has now made itself felt in further interest rate rises imposed to check domestic inflation, despite the downturn in activity. The German authorities too are tightening credit to check what is by their standards an ominous rise in inflation. British rates no longer seem likely to attract roublesome inflows; the authorities can base their actions on domestic needs.

One new indicator for the home economy is the Government's index of real after-tax values for the average wage-earner. This now suggests that the sharp rise in real income resulting from excessive pay increases last winter has now been all but cancelled out by price rises, including the VAT increase. This offers further reason to think that the mini-boom is over, and with it the [illegible] demand which has sucked in imports.

Grimmer truth

However, this index was not intended as a quick monthly guide to real disposable incomes for all but the richest and poorest, but as an effort to defuse the inflationary consequences of shifting the burden of tax from incomes to consumption. There can be little optimism on this count. In a world in which it is said that the Devil can quote scripture, union militants will certainly continue to base claims on the price index.

Indeed, it is a pity that the Government has joined the index propaganda war, for it is still lending some support to the mistaken notion that wages should be determined by what they can buy rather than on whether they are earned. The grimmer truth is that until our frighteningly bad productive performance can be improved, real wages may not be sustainable—a truth that is being defended at present in the enginering industry and at Talbot cars. It is in such battles above all that any immediate prospects will be settled.

The TPI: how it works and what it covers

THE tax and price index (TPI) aims to measure the impact on the average taxpayer of changes in both prices and direct taxes and hence—in the words of Mr. Nigel Lawson, the Financial Secretary to the Treasury—to show movements in total household costs.

The index is therefore broader than the monthly retail prices index, which shows changes in the level of prices paid for goods and services, including those caused by higher indirect taxes. But it does not go as far as a standard of living index like the quarterly series on real personal disposable incomes, which shows not only what is happening to prices and taxes but also changes in real incomes for other reasons.

The new index has a more limited function. It shows the increase in gross income (before tax) needed in order to maintain the same level of real net income after taking account of changes in both prices and tax rates and allowances. Alternatively, it can be described as an index formed by averaging together changes in taxes (including employees' and self-employed persons' national insurance contributions) with changes in the prices of goods and services.

Consequently, an average worker will now be able to work out the rise in his gross earnings needed in order to ensure that his real take-home pay is unchanged. A comparison of this with the actual change in the index of average earnings gives a broad guide to movements in the standard of living, while a comparison with the retail prices index shows what has been happening to the direct tax burden. Over the last 18 months the figures show both the rise in real earnings and the reduction in direct taxes.

The Government's index at present goes back only to January, 1978, though earlier figures will be available shortly. The independent Institute of Fiscal Studies has produced a broadly similar index, inelegantly known as the Gross Earnings Deflator wit ha longer run of data. This shows that over the long-term—between early 1974 and July, 1979—the increase in gross earnings needed to maintain the same real purchasing power was much larger than the rise in retail prices—an increase of 142 per cent against 120 per cent. This was because of the rise in direct taxes, especially in the mid-1970s.

The new index is based on Inland Revenue calculations and will be published monthly by the Central Statistical Office on the same day as the retail prices index, which will continue to appear unchanged. The compilation of the index has caused all kinds of headaches in Whitehall; although the basic concept is straightforward the details are much more complicated.

The starting point is a sample survey of tax records—the annual Survey of Personal Incomes conducted by the Inland Revenue. The most recent date, based on roughly 120,000 tax returns, are for 1976-77 and these figures of personal income have been projected forward to January 1979 to form the base date for the calculation of the tax component of the index.

An estimate is then made of the annual rate or receipt of income at the turn of each calendar year and the appropriate tax liability is then calculated on an average basis throughout the year. With knowledge of the tax structure and of the change in prices through the year, it is then possible to show the gross income which maintains real net spending power on the base date of January each year.

A key question is the coverage of the index. Since changes in tax have no effect on people who do not pay tax, only those paying income tax are included. Thus a large number of people receiving social security benefits are excluded; for non-taxpayers the retail prices index and the associated index for pensioners are the appropriate measures of the change needed to maintain the purchasing power of both net and gross incomes.

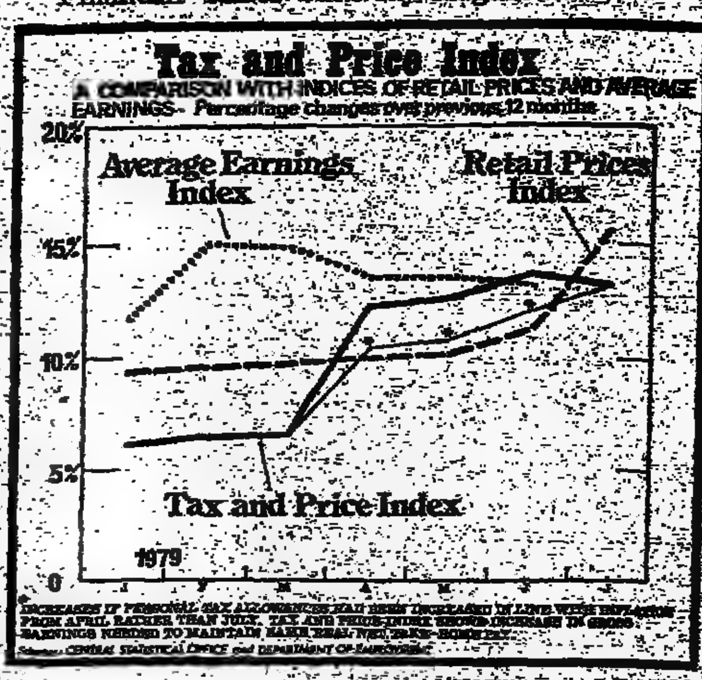
In addition, the highest income groups are excluded since income tax has a different impact on them than on most people. The retail prices index also takes no account of the expenditure patterns of top income earners. At current earnings levels this keeps out those with gross pay of over £10,000 a year. The net effect of all this is to exclude about 7m at the bottom end and 1m at the top end out of a total of 28½m tax units, defined as single people or married couples.

Even with the top and bottom ends excluded, there are naturally large income variations within the sample. But the statisticians reckon that the difference in the rate of change of the index is no more than 1 per cent between these groups. This is in line with the conclusions of a recent study which showed that different types of household experience roughly the same increase in retail sales.

The index takes account only of ordinary taxable income and excludes tax-free benefits. In particular, child benefits are not included and to achieve comparability child tax and family allowances have been excluded from earlier figures. The treatment of child benefits is the main difference between the new index and the Gross Earnings Deflator.

One of the problems about using the index is that it smoothes out tax liabilities throughout a year even though the actual changes, notably in tax rates, often only come into effect after a delay of several months. The retail prices index has a similar approach in that the public does not get pay price rises all at once. The new index ignores administrative delays and assumes that changes in tax rates and allowances operate from the beginning of the financial year. A partial exception is this year, since the Budget was much later than usual beacuse of the election. Consequently, the changes in rates and allowances announced on June 12 are assumed to operate from July rather than from April. The tax reliefs for April to June have been treated as capital repayments and have not influenced the level of the index. Thus the increase in the index in these months was higher than if the subsequently announced reliefs had been taken into account. This could distort the comparison in the early summer next year.

The new index is thus essentially a statistician's concoction, with all the mrits and drawbacks that implies. It deals with the average taxable unit rather than any particular families or ranges of income. It spreads tax liabilities evenly throughout the year, in contrast with the actual uneven pattern of payments and rebates which appear in payslips. As such, few individual taxpayers or families will be able to compare their experience with the index. But that is the way with all indices.



Merits, and drawbacks, of the new tax and price index

By PETER RIDDELL, Economics Correspondent

THE tax and price index launched yesterday by the Government is only the latest in a series of attempt over the past decade to persuade people that they are better off than they believe they are. As such, the index will no doubt merit a footnote—or at least a statistical appendix—in any history of Government efforts to moderate pay claims. And like similar previous initiatives, the new index has already been criticised by the very people at whom it is principally aimed—wage negotiations in the shape of the TUC.

Anyone wondering why the Government should want to go down this path again need look no further than the simultaneous announcement of a record monthly rise of 4.3 per cent in the retail prices index in July. About three-quarters of the increase was a direct result of the June Budget, notably the rise in Value Added Tax. This has boosted the 12-month rate of retail price inflation to 15.6 per cent compared with 7.8 per cent a year ago—hardly the best starting point for the new pay round.

One side of picture

But the sharp rise in the retail prices index only presents one side of the picture since take-home pay has been boosted by the big cuts in income tax also announced in the Budget. The Government has, until now, been stuck with the fact that only the unfavourable influence of higher indirect taxes is reflected in the index—one of the main headline indicators for wage bargainers—while cuts in direct tax do not show up.

Even before the election, Sir Geoffrey Howe, the Chancellor, was wondering how to counter the bad news in the retail prices index. In his Budget speech, Sir Geoffrey claimed that the average family with weekly earnings of £100 would be about £1.30 a week better off as a result of all the tax changes while a household with earnings of £60 a week would be 75p a week better off net. However, these calculations assumed that the benefits of the income tax cuts were compressed into slightly over nine months between mid-June and the end of the financial year, rather than spread over 12 months. Moreover in a written Parliamentary answer, Lord Cockfield told Lord Kaldor, his predecessor as tax guru in the Treasury, that the percentage of income paid in direct and indirect tax for those on two-thirds of average earnings would rise from 27.7 per cent to 28.6 per cent between 1978-1979 and the current financial year.

All this supported the impression that, while the budget might make the already well-off even wealthier, it would not help those on below-average earnings. And the Government's case was not helped by Sir Geoffrey's unfortunate remark that "we have done everything we can to ensure that every family in the land will have more money coming in to pay the increased bills," partly caused by his own tax proposals.

Sir Geoffrey believes that most people prefer to have more choice over the way they spend their income. Since the budget he has sought to underline the Government's claim that direct cuts are more than offsetting higher indirect taxes. The outcome is the new index, discussed in more detail in the accompanying article.

The results do not settle the Budget argument either way. Mr. Nigel Lawson, the Financial Secretary to the Treasury, yesterday noted that while the retail prices index jumped sharply last month, there was no increase in the tax and price index. Consequently, he claimed, the tax cuts in the Budget wholly offset the combined effect of the increase in VAT and the underlying rate of inflation between the two months. But it is possible to argue, on the basis of a slightly different view of the data, in particular the timing of the increase in personal tax allowances that at least some people are better off.

Moreover the gap between the annual rate of increase in the tax index and the retail price index is not startling enough to change the view of many wage bargainers. The difference is currently about 2½ percentage points and is likely to continue at this level, so that when the 12-month rate of retail price inflation reaches its forecast level of 17½ per cent in mid-November the increase in the tax index will be about 15 per cent. Looked another way, this means that gross earnings will have to rise by this percentage to maintain real take-home pay.

Apart from the debate about the Budget, the main criticism of the new index so far — particularly from the TUC—is that it does not embrace enough. On this view, it is also necessary to take account of the social wage — public spending on health, education and social services. The TUC argues that the cuts in direct taxes have been financed partly by reductions in public spending so that on a broader view, living standards have been reduced by the Budget.

Stabilisation of spending

But Mr. Lawson argued yesterday that public spending is actually being stabilised in real terms and that the only aggregate cuts are from the higher level of expenditure proposed by Labour.

Judging by past experience, the new index may have little impact on actual wage negotiations. In the mid-1970s the Labour Government tried to use the social wage argument — especially its proposed increases in social service spending — to persuade the unions to moderate their claims, with little success. Between 1976 and 1978 Mr. Denis Healey sought to use income tax cuts as a carrot in order to win agreement on pay restraint, again with mixed results.

Varying factors

There appears, however, to be only a very indirect relationship between movements in either retail prices or disposable incomes and the level of pay rises in the following year. Private sector pay increases may be affected at least as much by the competitive position of employers, by their profitability and liquidity and by exchange rate and monetary policy. All these factors suggest that there will not be a pay explosion over the next year and that the 12 month rate of price inflation will only rise slightly from current levels before falling back.

Mr. Lawson argued that there was no case for using any index as a basis for wage-bargaining but as "a realist" he recognised that "our habit of looking at indices, and at the retail prices index in particular, is too engrained to be broken overnight."

Consequently, the Government is going to have a hard job to persuade unions to look at other indicators such as the new index, even though they may, as Whitehall believes, provide a fuller picture.

Letters to the Editor

Trade

From Mr. D. Franklin

Sir,—The high pound/low export and low pound/high export theory expounded by Robert Sheldon (August 9) is proven incorrect by the facts of the last 25 years.

The value of the pound during this period has been reduced to one-third of the Deutsche Mark. In theory UK exports should have trebled and West German exports reduced to one-third. In practice the reverse has occurred and the British share of manufactured goods exported to Organisation for European Co-operation and Development countries has fallen from 18.9 per cent to 8.5 per cent while West Germany's share has risen from 12.2 per cent to 18.8 per cent.

The theory is based on the fallacy that price is the only criteria in the purchase of goods by consumers. Indeed if this were true there would be no Financial Times readers as the FT is not the cheapest newspaper available. Primarily no product can be sold unless it is right for its market and delivered on time. If these two requisites are met they will outway the price factor as proven so conclusively by the West Germans who have a high DM/high export record.

No reflation, fine tuning or intervention by the Bank of England will increase the sales of British goods. Only the consumer can decide to buy British and he will if the product is right, reliable and delivered on time and it matters not whether he lives in Birmingham or Bonn.

D. G. Franklin.
Lerpiniere House,
121, Kennington Road, SE11.

Pensions

From Mr. T. Shucksmith

Sir,—Mr. Nottage (August 8) in my view reflects several fundamental misconceptions about the financing of conventional occupational pension schemes, such as those of the National Coal Board and British Rail. Personally, I very much doubt whether the cost to the taxpayer or the NCB's or British Rail's clientele would be reduced by switching from funding to pay-as-you-go, other than in accounts which failed to show a true and fair view of each organisation's trading.

The prospective liabilities of these schemes follow from the scheme rules and these liabilities accrue as each member renders his service. These accruing liabilities may be regarded as deferred remuneration of the members and in a sense represent the cost to the employer, quite independent of the funding, or otherwise, of these prospective liabilities.

The effective cost to the taxpayer may be influenced by the pattern of contributions over time by which the cost is met. Whether this results in a saving or a loss depends on whether the rate of investment return earned on any fund accumulated is greater or less than the opportunity cost of money to the taxpayer. This is not an easy question to answer.

If it is assumed that the opportunity cost is represented by the rate of interest which must be paid on long-term Government borrowing, then the pension schemes as gross investors of part of their funds in other areas such as equities and property, might be expected to earn a higher long-term return because of the higher risk. If this picture is correct, then funding results in a saving.

The effect of funding is broadly that some Government borrowing is channelled into the equity and property markets. At the margin this must be bad news for other investors in equities and property, good news for investors in gilts and private sector real investment and, one might reasonably expect, good news for labour productivity and national living standards.

This does not touch at all on the question of the security of employees' pension expectations and employers' obligations in this respect or on the question of whether a Government's covenant to pay-as-you-go is an adequate substitute for securities giving title to realisable assets, interest and dividends, which is probably a more important consideration.

Tom S. Shucksmith.
Roquebrune,
139, Blackborough Road,
Reigate, Surrey.

Odometers

From Mr. T. Wright

Sir,—No doubt the authorities will take note of Mr. Ebbs' proposal (August 4) to "stamp out" the practice of "clocking" odometers, but given the parameters of the problem, will it make a decisive contribution?

It is estimated that some 1.6m new cars are sold in the UK each year, 60 per cent of which are to commercial outlets. Some 2.5m secondhand cars are similarly estimated to be sold each year, predominantly from company sources.

Most company cars are sold through the motor trade or to the trade through auctions. The volume of documentation is already considerable. Dealers do not have to record their "transient" ownership and are notoriously "unable" to maintain records. A secondhand car can pass through a dozen hands in as many days. Provision already has to be made for the Vehicle Licensing Centre to issue duplicate documents to replace those "lost," which would have to be extended, if Mr. Ebbs' proposal became a statutory obligation.

It would, therefore, add to the bureaucracy already a burden to companies and private owners alike. It would remove an invaluable source of evidence now generally available to the trading standards authorities responsible for bringing the miscreants to justice.

As the Office of Fair Trading report indicates, there is no simple or easy solution to a problem which has the "fast buck" as its mainspring motive, although if manufacturers can be persuaded to provide sealed units, this will go a long way.

T. I. Wright.
Dept. of Trading Standards,
Salop County Council.
The Shirehall,
Abbey Foregate,
Shrewsbury.

Energy

From Mr. N. Jenkins

Sir,—The price of energy may well turn out to be eternal vigilance. Constant pressure has now produced a very different Marshall report (Energy Papers 34/5) from the discussion document Energy Paper 20. David Fishlock (August 1) refers to £1.8m pilot project for a geothermal borehole at Southampton on land owned by the Central Electricity Generating Board.

Do we have to go through the same motions as before? Is it going to take another 20 years? We now have the electricity industry agreeing the technical and economic feasibility of combined heat and power, previously denied. The Marshall report puts CHP in the category of first contender as the cheapest proven energy technique, the best alternative for existing highly wasteful methods of using fuels. It is cheaper to bore shallower holes for district heating than it is to go deep enough for higher temperatures for electricity generation.

Southampton has recently seen the disappearance of its city-centre power station and turbo-alternators that could have been converted for CHP at far less cost than £1.8m for a hole in the ground. This would have been an ideal site for a district heating tad—serving the high head-load of the densely built-up area 100 yards away.

It is understood the borehole "near" Southampton may be at Marchwood on the other side of the Solent. If geothermal heat is to be used at this power station it will be most likely for boiler feed water, turned into steam where for every extra three tons of fuel used two will be sent to waste. No borehole water is wasted in France where this technique has been proved—in district heating.

What the electricity industry says and what it does could well add up to two entirely different lines of basic, national, energy policy. An immediate start is recommended on one large city centre, the surest way to discover the most expensive deterrents.

What is needed is a permanent, paid, Energy Council of impartial independents to replace the Electricity Council, to determine energy priorities, fair tariffs, choice of fuels, and which reserves to exploit/deplete.

Norman Jenkins,
Whitehill,
Ewshot,
Farnham, Surrey.

Microprocessors

From the Managing Director Innovcom

Sir,—It is generally agreed that the use of micro-processors could reinvigorate UK industry, yet many managers remain apathetic. I think I know some reasons for this.

The first mental block is when the word micro-processor registers in the brain as "computer." (Most people dislike computers.) Computers contain micro-processors but micro-processors can "drive" devices other than computers and it is this aspect which is hard to get across to industry.

To understand even in outline how they work needs some knowledge of Boolian algebra, binary arithmetic, systems analysis, programming and control engineering. Many well-educated senior managers have never had the chance to study these topics and switch off when micro-processors are mentioned. To understand how they can help is an easier task since managers can apply their normal cost/benefit rules.

The questions managers should be asking of micro-processors are: can they cut my costs? Can they upgrade my products? Can they help me to design new products?

During manufacture as a product takes shape, properties such as weight, size, temperature and moisture content can easily be measured and converted to electronic impulses which can be handled by the logic circuits in the micro-processor. The output can be shown as a number, or as a display on a television screen, or as a printed paper record. Most usefully, however, the output can be "fed back" into the production line controls so as to stabilise or maximise or minimise any desired property.

In trouble-shooting any manufacturing process problem, micro-processors should at least be considered, especially now that up to £2,000 of Government aid may be granted to help offset the costs.

B. V. Clifton.
Innovcom, Southbank,
Daveylands, Wilmslow,
Cheshire

Portmadoc

From Dafydd Wigley, MP

Sir,—The letter from George F. Burns of the SCM Corporation (August 10) no doubt outlines the reasons as seen from New York for closing down the Portmadoc typewriter factory.

In the meeting I had with the UK management, however, considerable emphasis was placed on the value of the pound against the dollar and the implication was clearly that had the rate been nearer $1.85 the prospects for sales of their products in the U.S. would be so much better that the factory could have been spared.

It was because the decision to close was being taken in the U.S., and the UK management had, in their own words, no power to amend or revoke it, that the unions and I sought to meet the corporation chiefs in New York. Their refusal to hold such a meeting inevitably leads to bad communications of the type complained about by Mr. Burns.

Dafydd Wigley,
House of Commons, SW1.

Congratulations to John Arlott on being not out in every Test since 1946.

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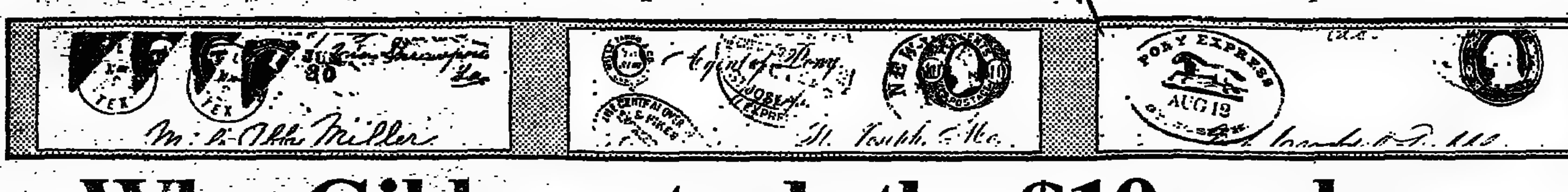
Antony Thorncroft describes the acquisition of one of the world's ten finest stamp collections



Why Gibbons took the $10m plunge

THE SUDDEN acquisition by Stanley Gibbons International of the Marc Haas collection of early U.S. postal history for over $10m has shattered the traditional August lull in the international stamp market. The Haas collection is reckoned to be one of the ten finest in the world and Gibbons' initiative in acquiring it outright, rather than offering a guarantee for an auction sale, is unprecedented at this level. The London based Stanley Gibbons, the largest philatelic dealers in the world, has never before spent more than $1.5m on buying a single collection.

Such a purchase would have been impossible without the financial resources of Letraset International which bought Stanley Gibbons in January for £19m. Indeed Letraset itself has been so stretched to provide the cash for the purchase that it is asking its shareholders for another £9m through a rights usise. Although some of its competitors regard the price paid as being on the high side Jerry Waters, director of Gibbons, is convinced that the chance of an outright acquisition was too good to be missed and he is confident that the investment will be more than recouped during the next two years when the collection will be disposed of through private sale and auction. Immediately after Tuesday's announcement Stanley Gibbons was already answering queries from prospective buyers.

Marc Haas, a 71-year-old Wall Street financier, had assembled the collection over 30 years and was anxious to see it passed on to another generation of collectors in his life time. So the aim is to disperse the 3,000 covers involved to genuine collectors rather than to investors or institutions. Stanley Gibbons has not yet valued the individual items and some are so rare that they will almost certainly be allowed to find their own price through auction. Among the covers that should fetch more than $100,000 is a letter from George Washington to his commander besieging Boston; a strip of four 10 cent stamps from the first general U.S. issue of 1847; and a letter from the Confederate general Robert E. Lee requesting reinforcements. There are also particularly good sections devoted to the Pony Express and the stamps of Hawaii, probably the finest remaining in private hands.

U.S. presence

For Gibbons the purchase of the Haas collection had two particular attractions: it helps confirm its position in the U.S. where previously its presence had not matched its general international importance, and it involves a sector of the stamp market, American postal history, which is experiencing a particular revival at the moment, with the prices of some classic 19th century stamps appreciating by more than 50 per cent in a year.

Until recently classic U.S. material was undervalued, especially considering the number of collectors in the country and the comparative rarity of early American stamps—for example almost 70m Penny Blacks were printed in the UK in the year they were issued whereas only 5m of the comparable first American stamp were printed in its four year existence. But in recent years prices of classic U.S. stamps have been moving ahead very rapidly, especially in the last season when fears about inflation and the state of the U.S. economy increased the attraction of stamps as an alternative investment.

For the past 50 years stamps, along with gold, have proved the most stable investment through economic and political crisis. While other works of art have suffered from changes in fashion and short lived price booms, classic stamps, which have the advantage of being portable, international, and rare, have consistently ridden out the storms. Hence their current popularity in the U.S., a popularity which could be fuelled by a recent decision allowing U.S. pension funds to include stamps in their investment portfolios. Banks are also showing an interest.

The level of corporate investment is still small but it adds a powerful, if potentially erratic, new element to the market. Although classic U.S. stamps should continue to appreciate steadily there is already a feeling among some dealers that the more routine material, and 20th century stamps, have advanced too rapidly and that it is time now for a period of consolidation.

It is unlikely that Letraset will have to find the money for another purchase of this size for some time. Since it bought Stanley Gibbons it has encouraged a rapid rise in postal stocks, so that the company now has stocks valued at £14m as against stocks worth £5.5m at the end of 1977. This is easily the biggest stockpile of stamps in the world. It's main competitor, the British owned Harmers, has stocks worth nearer $5m on its premises. But while its rivals concentrate on auctions Stanley Gibbons spreads itself across the stamp world, from catalogues to auctions to private dealings. Gibbons has also done the most to encourage investment in stamps in the UK, a practice about which Harmers and the other major concern, London-based Robson Lowe, are more circumspect.

Last season Stanley Gibbons increased its turnover through auctions from £3m to £4.5m, but turnover from dealing was around twice as much. However, just as Sotheby's and Christie's dominate the art markets with their auctions, at the expense of the dealers, so stamp auctions seem set to assume the major role in the marketing of stamps.

Encouraged by the recent good results, the holders of major collections who in the past favoured cash on the table rather than the vagaries of the auction room are now more inclined to put their stamps under the hammer. Last season, for example, Stanley Gibbons made a record total for an auction of £747,430, with an unused Cape of Good Hope woodblock 4d vermilion, with an error, selling for £47,500, the top price at auction in 1978-79.

Perhaps conscious of the criticism of bringing too many investors into a world which has always prided itself on its collecting purity, Stanley Gibbons reached an agreement earlier this year with Towry Law, the British investment consultants, to provide a stamp investment service using Gibbons' stocks and expertise. But, says Jerry Waters, it does not recommend individual commitments much in excess of £5,000 and it is confident that it can convert most investors into collectors. All told, the investment element in the market is reckoned to be around 12-15 per cent of all purchases.

The very value of stamps today makes it inevitable that commercial interests will become involved. The most highly priced stamp in the world, the British Guyana 1856 one-cent black on magenta paper, is owned by an American syndicate which has watched it appreciate from £350,000 to £425,000 in the past year, according to Stanley Gibbons' catalogue valuation. An indication of the current strength of the market is that at recent auctions stamps have been fetching more than the catalogue price.

Constancy

This does not apply just to the handful of established rarities—a run down of a few Commonwealth issues, a particularly firm market at the moment, underlines the constant attraction of stamps. Within the last year a British Virgin Islands 1867-70 1s rose on carmine stamp, with an error, has jumped from £35,000 to £45,000, while a Canadian postmaster provisional 1851 3d block registered an extraordinary rise from £20,000 to £38,000, confirming not only the shortage of philatelic rarities but also the particular improvement in Canadian stamps in recent years.

The general consensus about the 1979-80 season, which starts next month, is that prices will continue to increase for classic stamps in good condition but that second division material is due for a slight setback. By the end of last season 20th century British commemmorative issues were not meeting expectations, and while there are no doubts about the finest classic stamps, problems are envisaged for the later material. On the other hand, Empire and Commonwealth issues still look buoyant.

Some slowing down in the rate of appreciation is likely to be welcomed by the stamp market to keep in check the investing element, which attracted by Stanley Gibbons data on the rising values of classic stamps, is estimated to be growing by 10 per cent a year. Gibbons quotes, for example, the progress of 21 medium range items which have jumped from £2,226 in 1974 to £11,920 this year, a five-fold gain.

Individual stamps have performed even better—a Cape of Good Hope 1855 is bright yellow-green going from £150 in 1974 to £1,100 this year; a U.S. 1847 5-cent brown from £25 to £180; and a Great Britain Penny Black of 1840 from £160 to £1.500. Among the top classic stamps the transformation is just as remarkable. A used Mauritius 1847 2d Post Office was valued at £27,000 in 1974 and is now worth £110,000; a used Austrian 1851 (Kr) Newspaper stamp is up from £6,000 to £20,000. In the last year alone prices have risen by over 30 per cent.

Terry Kirk

To underpin such improvements stamps have a vast collectors market, unavailable to any other works of art. With over 50m collectors philately is the second largest hobby in the world, topped only by photography. In the UK alone there are probably 2m committed collectors who form a solid base, progressing by stages to the small group of men who hold the serious collections, usually concentrated on one particular country. So far the investing element has yet to unsettle this vast army, especially as collecting at the higher price levels requires a great deal of knowledge and money.

The acquisition of the Haas collection is unlikely to disturb the stamp market. It is an unnusual ocurrence. Indeed so big is the market in early American postal history that even prices in this sector will not be rudely disturbed. Stanley Gibbons will be cautious in releasing the material and it has the resources to hold on to certain items for many years, if needed.

The Hass collection does, however, highlight a problem for the international stamp world. It is a collection of postal history, an area which is attracting a great deal of attention because of the very scarcity of the top classic stamps. Collectors are having to find new subjects, such as proofs, specimens, locals, and carriers. Most cannot afford the most highly regarded classics even when they make a rare appearance on the market. Such scarcity has inflated the value of some second rate material, hence some signs of an easing off in price values. But not for the very best. Some stamps seem to have found the secret of perpetual appeal.

Sometimes the attraction has an extremely practical cause — they can be comfortably carried across borders. But often their appeal and charm goes deeper. Very soon after the appearance of the first stamps in the mid-19th century people started to collect them. There seems to be something symbiotic between men and stamps, not unlike the traditional relationship between man and the only other commodity which rivals stamps perennial appeal, gold.

Weekend Brief

Planning controls

WITH FEW weeks to go before the Pope's visit to Ireland, which if nothing else will serve to underline the fact that the Republic's population is 95 per cent Roman Catholic, the Irish solution to an Irish problem is turning into a fine old Irish mess.

Attempts by the Government to legalise the sale of contraceptives have run into trouble in that the 1,200-strong Irish Pharmaceutical Union has said it will not sell contraceptives if the unofficial Family Planning Clinics were also allowed to sell them.

The Health (Family Planning) Act of Charlie Haughey, the Minister of Health, which only squeezed through the Dail last month after a tortuous passage, looks unworkable.

The saga conveniently starts in 1973. Contraceptives and birth control other than the "natural" method have always been banned in Ireland. In 1973 a Mrs McGee received a ruling from the supreme court that it was unconstitutional to prevent her from importing contraceptives. Since then a number of Family Planning Clinics have sprung up, mostly they are in Dublin, but also in Cork, Galway, and Limerick. They are not legal but they are not banned either. They are widely used and although technically they cannot sell contraceptives, they accept contributions. Usually this is a standard £1.10 for a dozen condoms. Most contraceptives are presumed to be brought in from the north.

The strength of feeling about the issue should not be underestimated. A try at legalising the import of contraceptives by the previous coalition Government foundered when, among others, the then Prime Minister, Mr. Liam Cosgrave, crossed the floor and voted with the Fianna Fail to defeat the Bill.

Back in power the Fianna Fail, through its ambitious Health Minister, Charlie Haughey, finally got a Bill through last month, after it had been in the Parliamentary mill for almost a year.

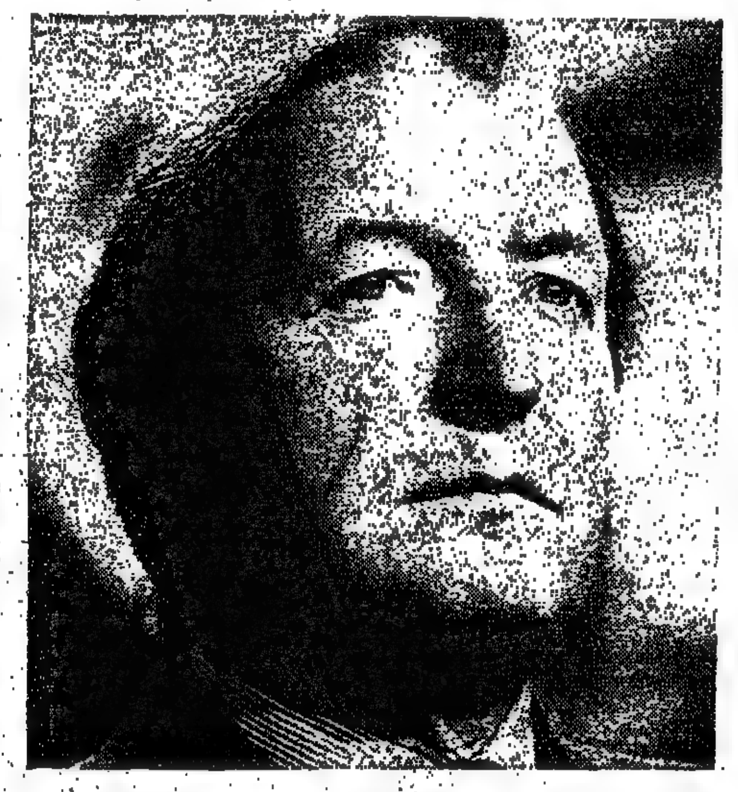
What it stipulates is that they are to be available, but only on doctors' prescriptions and only for bona fide family planning purposes. This, of course, would cut out any one who is not married for a start.

Predictably, the Act, has managed to satisfy virtually no-one. The Minister of Agriculture, Mr. Jim Gibbons could not see his way clear to vote for it, and almost lost his job as a result, although in the end Mr. Jack Lynch decided to keep him on.

The senior Church hierarchy, the 26 or so Bishops, have been keeping a low profile, presumably feeling that there is such a demand for contraception in the country that whatever they decided would make them unpopular. Various priests however have condemned the Bill as evil, atheistic and hedonistic among other things.

In a debate in the Senate, one Senator cried out with great feeling: "You can amend the law but you cannot amend the Ten Commandments."

What will happen now is anybody's guess. If Haughey gives way to the unions's ultimatum it would force the closure of the clinics and alienate the thousands who use them. If he does not give way he virtually nullifies his own piece of legislation. When last questioned about the Act Mr. Haughey's reaction amounted to a weary shrug. A look which suggested he had done the best he could. The Act can still be challenged in the Supreme Court.



Ireland's Minister of Health, Charlie Haughey, sponsor of an Act that has satisfied nobody.

Oriental add

Tell Shi Fengshou to think of a number and double it and he'll have the answer before you can reach for your abacus. Give him two eight-digit numbers to multiply and he will produce the answer in five seconds without taking his hands from his pockets.

Shi Fengshou is a 23-year-old mathematical whizz-kid who grew bored with conventional methods of calculation when he was 10. There must be a better way, he thought, and he found it by the unlikely process of putting the accepted systems into reverse. The national newspaper people's daily this week reported the publication of one million copies of a book in which Shi describes his methods of addition, subtraction, multiplication and division. The book was a sell-out, according to the newspaper. "Experience has shown that workers, peasants, soldiers, teachers and students are all capable of mastering this method with a short period of study."

The technique which promises to turn China into the fastest-figuring nation in the world abandons the usual sequence of calculations. In multiplication, for example, to calculate 567 by 28 it is usual to begin with the multiplier "8", and the unit-digit "7," carrying excess tens and hundreds to the left and reaching the answer 4,536. Then the multiplier "20" is used similarly to yield the answer 11,340. These totals are added to give the final answer of 15,876.

Shi looks at the problem backwards and works from left to right, using 29 brief, memorised formulae which tell him everything he needs to know about carry-overs and which eliminate the intermediate steps of the calculation. His method is applicable to addition, subtraction, multiplication and division of number with up to 26 digits, a mouthful too big to chew for any but highly-sophisticated electronic calculators.

In a recent contest against a pocket computer Shi mentally multiplied three sets of three sets of two eight-digit numbers in 15 seconds with no help other than a slight fluttering of the fingertips. The computer agreed with his answers after 30 laborious seconds.

The young marvel has been addicted to mathematics since he learnt to count in his home province of Shensi. In 1966, as a 10-year-old in the second grade of primary school, he became irritated by the time spent doing his sums horizontally and vertically.

Consumed by the search for a short cut, he filled exercise books and scraps of paper with experimental calculations. When the paper ran out he would jot his numerical graffiti on walls, in the dust of the schoolyard, on his shirtsleeves and, if the space became crowded, on his arms and legs. Five years later he had devised his 29 rules and drawn the attention of the Chinese academy of sciences.

Now he has been enrolled at the Chinese Science and Technology University as an exceptional student and has applied his theories of calculation to the heady disciplines of trigonometry and logarithms.

Shi Fengshou's text on back-to-front mathematics is certain to go into reprint after reprint. China has more than 200m young people at school and that means . . . well, Shi could figure it out.

Credit rating

High Street retailers such as Boots, Woolworths, Tesco, and even the Co-op, are currently almost falling over themselves in the rush to launch their new in-store credit cards on the unsuspecting shopper in time for the run-up to the crucial Christmas sales period.

Although department stores and some men's clothing retailers have for a number of years provided special account facilities for customers, the rapid trend towards the cashless society in the High Street has caught many people by surprise.

It is even suggested that the widespread provision of retailer's credit cards will herald a greater and more speedier revolution in retailing habits than the advent of self-service in the 1950s and 1960s. A recent survey carried out by the Office of Fair Trading has shown that 54 per cent of the adult UK population now use some type of credit facility, compared with only 22 per cent ten years ago.

Yet amidst all the euphoria generated by attempts to take the "waiting out of wanting," some shoppers are beginning to take a more critical look at the credit cards on offer. Surprisingly, this critical faculty does not extend to such pertinent issues as interest rates, since the OFT survey found that around half of credit card users did not know how much they were being charged for the facility provided.

But where consumers are becoming more agitated is over the degree of "noseyness" from the store about a prospective card holder's personal and financial background. The main culprit so far seems to be Marks and Spencer's which launched its credit facilities nearly a year ago. Apart from being different from all other retailers' credit facilities launched so far—in that M and S gives approved customers a special cheque book and cheque card rather than just the one piece of plastic used by other retailers—the application forms from Marks require the most detailed answers of virtually any credit card application forms.

Apart from the standard information about name, address, age, occupation, salary and so on, shoppers who want to buy St. Michael underwear on credit have to reveal such details as *place* of birth, and whether or not they are separated from their spouse, or even divorced.

Tesco, in comparison, are not interested in exactly where you were born or how well you get on with your spouse—you just have to tell them if you are married/single or a widower.

But the biggest intrusion into a shopper's affairs, according to a number of Weekend Brief readers who have independently raised the matter, is the information concerning house ownership. Most application forms only want to know the size of the mortgage repayment — Marks, however, wants to know the date purchased, the purchase price, the estimated present value, and whether the house is solely or jointly owned.

Citibank Trust, who manage the M & S scheme, say that the more detailed the information on the application form, the better for everyone since the system can run more effectively and bad credit risks are unlikely to be made.

However, Citibank remain coy about the number of people who have divulged such detailed information to them over the past year. Perhaps the coyness is understandable since, according to the OFT's survey, three out of every five people said they were "ashamed at using credit facilities."

Contributors

Stewart Dalby

John Hoffman

David Churchill

Economic Diary

MONDAY—Balance of payments current account and overseas trade figures (July). Confederation of British Industry Monthly Trends (July). New construction orders (June). Engineering workers' one-day strike over pay and hours. Industrial civil servants' joint unions meet to discuss possible industrial action. Post Office group executive of the Society of Civil and Public Servants to talk on pay proposals. Increase in inland postal charges —first class letters to 10p and second class to 8p. United Nations Conference on Science and Technology for Development opens in Vienna. Mr. Norman Lamont, Parliamentary Under Secretary of State for Energy, visits Windscale and Calder Works, Cumbria. Manchester County Hall statement on action campaign in the North-West aimed at improving environment of Greater Manchester.

TUESDAY—August provisional figures for unemployment and unfilled vacancies. Further one-day strike by process workers at Pilkington Brothers in dispute over pay. Mr. Robert Strauss, U.S. Envoy, visits Egypt for talks with President Sadat.

WEDNESDAY—Trades Union Congress general council meets, Congress House, London. Labour Party national executive meets, Transport House, London.

THURSDAY—Two-day talks on pay open at Vauxhall Motors. New vehicle registrations (July). Brick and cement production (July). Public sector borrowing requirement and details of local authority borrowing (second quarter). Capital expenditure by the manufacturing, distributive and service industries (second quarter provisional). Manufacturers' and distributors' stocks (second quarter provisional).

FRIDAY—Trade and Industry publication by the Department of Industry will include—turnover of the motor trades (second quarter), sales and orders in the engineering industries (May), and finished steel consumption and stock changes (second quarter provisional).

Important announcement to all shareholders of

SG

Stenhouse Holdings Limited

Set out below is the text of a letter which has been posted to all shareholders.

"Dear Shareholder,

A joint announcement was made at close of business on Friday, 17th August by Stenhouse Holdings Limited ("Stenhouse") and The Continental Corporation ("Continental"), a New York based financial services company, that Continental intends to purchase up to 20 per cent of the ordinary shares of Stenhouse in the market.

THE PURCHASE WILL TAKE PLACE IN THE OPEN MARKET, COMMENCING WHEN THE STOCK EXCHANGE OPENS FOR BUSINESS ON MONDAY, 20TH AUGUST 1979.

Stenhouse is based in the United Kingdom and owns 53.8 per cent of the equity of Reed Stenhouse Companies Ltd, a Canadian listed company with world wide insurance broking interests. Since Reed Stenhouse has subsidiaries which are admitted at Lloyds, the approval of the Committee of Lloyds has been sought and obtained. The Panel on Take-Overs and Mergers has also been consulted.

In making the announcement in London, Mr Herbert Houghton, a director of Stenhouse commented, "We welcome this proposed investment by Continental and we believe that while insurance underwriting and insurance broking will always be divided there are specific areas of common interest where we can each benefit from the association without affecting our independent relationship with our clients. In particular we can help to develop our respective interest in provision of insurance-related services where there is considerable scope for growth." "Continental," Mr Houghton said, "has confirmed that it will not increase its interest in Stenhouse beyond 20 per cent and that it will not seek representation on the board of Stenhouse or Reed Stenhouse Companies Ltd."

Mr V Lee Barnes, Continental's executive vice president for international insurance and reinsurance, said, "We think a Continental investment in Stenhouse would add to the diversity of our sources of revenue and contribute to the stability of corporate earnings. International insurance broking is a continuing growth sector of the international insurance market. A minority investment in Stenhouse," Mr Barnes observed, "would allow Continental to share in that growth without changing in any way our relationship around the world with insurance brokers and independent agents who represent The Continental Insurance Companies, and other subsidiaries of Continental. Continental's strategy is to invest in insurance and insurance-related enterprises. Diversified insurance related services are showing growth and greater demand as changes continue to develop in the insurance world."

The Stenhouse family and their associated interests have indicated that it is not their present intention to sell any shares.

The Board of Stenhouse has declared an interim dividend for the year to 30th September, 1979 of 1.82p per share (1978—1.82p) which will be paid on 28th September to shareholders whose names appear on the register at close of business on 7th September.

THIS ANNOUNCEMENT IS OF IMPORTANCE TO SHAREHOLDERS AND REQUIRES IMMEDIATE ATTENTION

If you are in any doubt about what action to take you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

18th August, 1979

Yours faithfully,
John G. Stenhouse, *Chairman.*"

Coral down at midway but confident of year-end gain

TAXABLE profits of Coral Leisure Group fell in the first half to June 30, 1979. But the *directors are confident that there will be a significant increase in the year-end surplus—the bulk of profits are now earned in the second-half.*

At midway pre-tax profits fell *from £7.14m to £5.85m* on sales ahead from £136m to £155m. The surplus was struck after interest charges up from £1.89m to £3.02m.

For the whole of last year the *group recorded taxable profits of* £22m (£18.54m) and paid net dividends totalling 6.7p. The directors now say that they intend to increase the interim (3p) by 10 per cent. This payment is announced in November.

	Six months 1979 £000	1978 £000
Group turnover	155,000	136,000
Trading profits	8,875	9,034
Interest charge	3,024	1,889
Pre-tax profit	5,851	7,145
Tax	2,725	3,366
Net profit	3,126	3,779
To associates	23	—
To minorities	237	241
Attributable	2,866	3,438

The Board says the opening months of this year saw difficult trading for a number of divisions—the hotel and racing operations were badly affected by the weather.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alcan (UK) .... int.	3.3	Oct. 10	3.3	—	9.9
Bridgewater Est. ...int.	4.5	Oct. 12	4.5	—	14.5
Ewart New Nthn.	1.5	Oct. 19	1.0	1.5	1.0
Gold Fields	155	Oct. 5	85	225	135
Hallam Sleigh ......int.	Nil	—	0.67	—	1.34
Mercantile Inv. ......int.	0.72	Sept. 28	0.35	—	1.7
Pifco	3.05	Oct. 18	2.15	4	3

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Despite this, group turnover rose 14 per cent. and this trend, say the directors, should be *maintained in the remainder of* the year. Profits from the casino side have improved significantly, compared to the previous first-half.

Commenting on the imbalance *which emerged last year between* the two halves of the year, the Board says this is exacerbated by the effect of inflation on divisions where escalating costs have to be offset against revenue, the *major portion* of which is received in the second half.

The Board adds that while it expects a significant full-year profits increase, the level of interest rates is having a greater effect than before.

The group's associated company, Hardwicke Companies Inc., and its partners, have permission from the New Jersey Gaming Control Commission to develop the Ritz Hotel-Casino complex in Atlantic City.

Hardwicke has raised $22m to provide for its share of the development, and to expand the company's catering activities.

Coral has subscribed $5.5m to *maintain* its 20 per cent interest in Hardwicke, says the Coral Board.

See Lex

Freddie Mansfield

Mr. Nicholas Coral; chairman of Coral Leisure Group . . . confident of a year-end increase.

Alcan (UK) falls at halfway

SALES of Alcan Aluminium (UK) amounted to £149.3m in the first half of 1979 against £136m previously but pre-tax profits were down from £5.1m to £3.6m.

The directors say that the expectation of lower levels of industrial activity in the UK over the rest of the year combined with rising costs, make it particularly difficult to forecast the *future.*

First half earnings per share are stated as 6.4p against 8.9p. The interim dividend is being maintained 3.3p — last year's final was 6.6p when pre-tax profit was £10.5m.

On a current cost accounting basis, the first half showed a £4.7m (£1.2m) pre-tax loss.

The directors intend to undertake a substantial investment programme at Alcan Plate, Kitts Green, Birmingham, on successful completion of current negotiations on working practices which are already at an advanced stage.

Alcan Plate produces high technology plate for the aircraft, defence and engineering industries and is the only producer of aluminium plate in the UK.

The first phase includes the installation of a new horizontal heat treatment furnace and this stage, planned to be completed in 1981, will cost some £10m.

Further investments are being studied with a view to increasing output still further and responding to market needs of the late 80's and 90's.

The *directors* say the results were affected by the transport strike, bad weather and production equipment problems at the major rolling mill at Rogerstone, Gwent.

The equipment problems limited the volume of shipments to the same levels as in the first half of 1978. Solutions have been actively pursued and these problems are now mainly solved, the directors add.

In spite of a more buoyant overall demand, the strong pound has made the group's domestic markets more vulnerable to imports, and exports less competitive. These factors have limited the group's ability to raise the prices of its products to match rapidly rising costs, the Board states.

£0.21m improvement by Pifco

FOR the year to April 30, 1979, Pifco, the electrical appliance manufacturer, reports pre-tax profits £205,700 ahead at £1,620,400.

At the interim stage, when the advance was from £473,000 to £501,000, the directors said they expected full year results would reflect some progress.

Yearly earnings per 20p share are up from 15p to 17.01p and the total dividend is raised from 3p to 4p with a final payment of 3.05p.

The depreciation charge was £93,000 (£74,000) and tax took *£769,700 (£664,900). A prior* year adjustment of £929,000 is deferred tax no longer required as a result of a change in accountancy policy.

● comment

With a near 19 per cent second half pre-tax improvement, Pifco has made rather more of the consumer spending spree than in the first six months and profits for the year are ahead by almost 15 per cent. Turnover is not disclosed until the accounts are published but the group apparently enjoyed a small improvement in sales volume although margins were slightly down. The order book which runs through to December is said to be reasonably up on the same period of 1978 and around 20 new products have been launched, including the first venture into the electronics field with a smoke detector, developed in conjunction with a major U.S. electronics concern. The net total dividend is raised by a third where, at 98p for both classes of equity, the yield is 6 per cent. With cash balances apparently *substantially higher* than the total of £1.2m shown in the last accounts, the dividend has plenty of protection while a p/e of 5.6 on stated earnings is taking a very gloomy line through consumer spending projections.

Catalin up at interim stage

AFTER recovering well from the transport difficulties earlier in the year, interim results of Catalin show turnover up from £3.69m to £4.2m and pre-tax profits of £190,000 compared with £107,000.

A good half year was recorded at Catalin, but second half *prospects are not so encouraging.* Nevertheless, the Board expects the company to exceed last year's profit level.

The Wix Co. should have a profitable second half although it is unlikely all the first half losses will be recouped.

The group makes industrial resins and resin treated papers.

Alginate sees sharp fall

Current year profits of Alginate Industries are now expected to be significantly lower than the £1.75m reported for 1978. The group reached a peak of £3m in 1976.

Mr. W. R. Merton points out that in his statement in May he warned that it would be unrealistic to look for any improvement in the profit for the year. Since then there has been a further significant strengthening of sterling against other currencies, he says.

The directors and their financial advisers Robert *Fleming and Co. say that they* are firmly of the opinion that the offers from Merck and Co. are fair and reasonable and unanimously recommend acceptance.

Marginal rise by NMC Invs.

Taxable profits of NMC Investments rose from £181,769 to £192,500 in the year to March 31, 1979.

For the period, tax amounted to £74,860 (£62,992) and there were minorities of £13,330 (£10,152). The dividend is held at 1.43p net.

Earnings per share are stated at *2.43p against 2.52p.*

May & Hassell

Trading in the first quarter of *the current year* at May and Hassell, timber importer, had been very encouraging producing pre-tax profits of some £450,000, Mr. J. H. Atley, the chairman, told the annual meeting.

He saw no reason why *this* trend should not continue. Most of the group's loss makers had been put in order or disposed of.

Former Belhaven chief issues writ

BY ARNOLD KRANSDORFF

Mr. Roy Ling, who was ousted as chairman of Belhaven Brewery Group while on a business trip *to Bermuda three weeks ago, has* issued a writ against the company for wrongful dismissal.

The company, which is now headed by Mr. Peter Rowlands who was appointed chairman on the same day he was co-opted to the board, said yesterday: "Should these proceedings be pursued they will be defended and a counter-claim lodged."

In a statement Belhaven, which explains for the first time the circumstances surrounding Mr. Ling's dismissal, also reveals that profits are recovering. In the first three months to June, 1979, the pre-tax surplus was £140,000 compared with a loss of £58,000 for the previous 12 months.

Belhaven says that prior to last year's losses in Bermuda becoming apparent, the company wished to declare a dividend totalling 0.7p net for 1978/9. In the event, the sums legally distributable were insufficient unless Ashpoint, pur*chased by Belhaven from* Mr. Ling and other vendors earlier this year, passed up some of its profits.

The company claims that on July 3 Mr. Ling indicated that Ashpoint would declare a dividend to cover the short-fall in Belhaven's reserves. But the statement quotes Mr. Ling as saying he "merely said that in principle Ashpoint would be agreeable."

At a meeting on August 1, prior to the formal consideration of Belhaven's accounts, *Ashpoint* proposed certain conditions "which the Ashpoint vendors wished to be accepted before it would pay up any dividends."

The statement says that *on* August 3 the conditions, which included the deferral for a further eight years ofa tenth of the final tranche of the consideration for Ashpoint, were rejected by a majority of the board "which then went on to *remove all executive functions* from Mr. Ling."

Mr. Ling said after the state*ment was issued: "I am clearly* unhappy about sueing a company that I am a director of.

"Being in Bermuda I had no chance to discuss the problems with the Board. *I should have* been given an opportunity to explain."

He described his dismissal as "so provocative that I had to retaliate."

He added: "Belhaven did not have to accept Ashpoint's requests, which were negotiable. It has been made to look like I was holding them over a *barrel.* What Ashpoint was asking for was nothing more than gestures of good faith at the time of the announcement of bad annual results."

Downturn at Hallam Sleigh

Profits of Hallam Sleigh and Cheston were well *down for* the first half to March 31, 1979. The taxable surplus fell £80,000 to £15,000 on sales ahead from £2.12m to £2.83m. There is to be no interim dividend, but every effort is being made to lift the final payment.

The directors say the engineering group's performance was aggravated by the problems of *the winter and a low increase in* volume sales caused by production constraints.

At the year end the Board had said the whole of an anticipated increase in profits would come in the second half. Last year the group's taxable profits were steady at £159,000 from which they paid a total net dividend of 1.34p per 10p share—*this included a 0.67p interim.*

But the directors now point out that the sales forecast for the second-half is about £3.4m—a 20 per cent increase over the previous half. They add that this considerable sales rise will be accompanied by a substantial increase in profitability.

Budgets for the half year to March 31, 1980, also show an increase in sales over the previous six months.

As to the dividend the directors say every effort will be made to increase the final payment *(0.67p)* over the previous year. To help raise the dividend payment to other shareholders, dividends for the year ending this September will be waived by the directors who hold 25 per cent *of the capital.*

After tax the half-year surplus is £7,000 against £45,000.

Mr. Ching heads St. Piran

The Eastern presence on the Board of Saint Piran has been stepped up by the appointment announced yesterday of Mr. Robin Ching, who has become managing director and Mr. B. Green.

Mr. Ching is a director of Saint Piran Hong Kong and Mr. Green is a director of Gasco Investments, the Hong Kong company chaired by Mr. James Raper, the former chairman of Saint Piran.

The appointments come soon after Mr. Malcolm Stone, also a Gasco nominee, was made a director.

During 1979, Gasco has built up a stake of just under 30 per cent in Saint Piran, the level at which it would be bound to make a bid under the City Take-over Code.

Several shareholder groups have complained over the past *year that Mr. Raper appeared to* have influence over Saint Piran although this was denied. The influence of Gasco, which is chaired by Mr. Raper, now appears to be strengthened.

No directors of Saint Piran was available for comment last night.

Mercantile Investment

In the six months to July 31, 1979 Mercantile Investment Trust lifted total revenue from £3.2m to £3.69m and net revenue was ahead from £1.32m to £1.68m.

The net interim dividend is raised from 0.35p to 0.72p. Last year's total payment was 1.7p. The interim includes 0.22p representing arrears of dividends due to be received from Shell Transport. The directors say holders would be unwise to regard this portion of the interim as repeatable next year.

Franked income for the half year amounted to £1.87m (£1.4m) and other income was £1.81m (£1.82m). Management expenses took £188,000 (£140,000), debenture and other interest £1.02m (£1.01m) and tax £797,000 (£728,000).

Results due next week

Next Wednesday sees the announcement of second quarter profits of Imperial Chemical Industries. As known, first quarter profits were adversely affected to the tune of about £20m by the lorry drivers' strike and as late as May, well into the first half, the repercussions were still being felt. Only about one half of the lost sales were recovered, so analysts are not expecting any fireworks, although second quarter profits should be somewhat higher than the previous comparable period and significantly better than the preceding three months. The principal uncertainty for the second quarter is the level of exchange losses, which will inevitably be substantially higher than the £9m debit for the first three months: the average estimate by analysts is around £33m. Including exchange losses, their range for first half profits is between £230m and £270m pre-tax, against £251m last time.

Although most analysts expect nine months profits of BOC International to be up to around £54m (£48.8m), this figure is still not up to the £60.4m made at this stage in 1977. Airco, the U.S. business, was down at half-time but the second quarter increase suggests some pending improvement. As nearly two-thirds of sales originate overseas, exchange rates play an important role in the results and the strength of sterling could have cost £4m for the nine months. Sales may have grown by about an *eighth overseas but in* sterling terms the figure will probably be negligible. The third quarter figures are due on Wednesday.

Analysts are not expecting much of a change in pre-tax earnings from De Beers Consolidated Mines when interim results are announced on Tuesday. It has not been a particularly buoyant period for diamond sales, with world diamond sales volume down slightly and the price increase of last year still having repercussions. Earnings before taxes should hover slightly above last year's R569.3m in the first half. Sales at De Beers have risen by a mere 2 per cent and the pre-tax profits will probably increase by little more to around R600m.

The figures due from the House of Fraser next Thursday should reveal only modest growth in the first half, compared with *last year. First quarter 1979* figures were not encouraging and it will take some second quarter recovery for the half year total to squeak past last year's £8.3m in pre-tax earnings. Sales in *central London stores have been* a bit dull, with the pre-Vat boom not proving as beneficial as anticipated. Analysts are projecting an increase to roughly £9m for the first half of 1979.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Aeronautical & General Instruments ...	Thursday	—	2.55319	—
Boardman (K. O.) International	Monday	0.4025	0.98416	0.4025
Capital & National Trust	Tuesday	1.5	3.1	1.75
Harrott & Co	Thursday	—	1.313	—
Hoffnung (S.) & Co	Wednesday	1.485	2.0142	1.485
Howard Tenens Services	Friday	0.823	1.0792	0.823
Kennedy Smale	Thursday	0.792	0.804	0.984
Leigh Mills Co.	Friday	—	1.28749	—
Meat Trade Suppliers	Tuesday	3.3	4.02	3.35
Nolton	Monday	0.27	1.73	0.27
Pullman (R. & J.)	Thursday	1.81	4.25	2.02
Rostmor Group	Tuesday	0.275	1.52323	0.28
Second Alliance Trust	Friday	2.0	4.3	2.0
South Crofty	Thursday	1.65	2.475	1.675
Stewart Nairn Group	Thursday	—	—	—
Stocks (Joseph) & Sons (Hldgs.)	Thursday	1.0	3.329	1.0
Suter Electrical	Wednesday	—	0.3225	—
Victor Products (Wallsend)	Wednesday	0.665	1.025	0.743
INTERIM DIVIDENDS				
AI Industrial Products	Thursday	1.65	2.8675	
Alliance Trust Co.	Friday	2.5	5.5	
American Trust Co.	Tuesday	0.35	1.0	
Baynes (Charles)	*Monday*	*0.3*	*0.44616*	
Blagden & Noakes (Hldgs.)	Monday	2.5	4.2†	
Braime (T. F. & J. H.) (Hldgs.)	Tuesday	1.0	2.715	
Clarke (T.) & Co.	Thursday	0.435	0.5271	
Clay (Richard) & Co.	Wednesday	1.33	1.61326	
Dufay Bitumastic	Tuesday	0.58751	1.75749	
Hill & Smith	Thursday	0.75	2.25	
House of Fraser	Thursday	1.57208	2.86382	
Imperial Chemical Industries	*Thursday*	*10.0*	*8.46586†*	
Investment Trust of Guernsey	Wednesday	3.0	5.25	
Johnson Group Cleaners	Wednesday	1.5	3.55844†	
Lambert Howarth Group	Tuesday	1.0	2.5	
Newarthill	Thursday	—	5.324	
Ocean Transport & Trading	Tuesday	3.9192	4.3929	
Queens Moat Houses	Thursday	0.25	0.3657	
Sharpe (W. N.) Holdings	Friday	—	2.7302	
Stenhouse Holdings	Thursday	1.82	2.7	
Ward Holdings	Friday	0.99	1.358	
Whittingham (Wm.) (Hldgs.)	Thursday	—	2.01	
INTERIM FIGURES				
BOC International	Wednesday§	—	—	—
London Brick Company	Wednesday	—	—	—
Wedgwood	*Tuesday‡*			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Second interim. ‡ First quarter. § Third quarter.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD.
45 Cornhill, London EC3V 3PB. Tel. 01-623 6314.
Index Guide as at August 16, 1979
Capital Fixed Interest Portfolio 117.59
Income Fixed Interest Portfolio 105.00

CORAL INDEX: Close 470-475

INSURANCE BASE RATES
† Vanbrugh Guaranteed 11½%
‡ Property Growth 11½%
† Address shown under Insurance and Property Bond Table.

Institutions save the day for Bestobell

BY ANDREW FISHER

A LAST-MINUTE change of mind by three institutions helped Bestobell win its fight to stay independent yesterday, with BTR finally admitting defeat for its £29m bid after a close finish.

BTR ended up with 45.14 per cent of Bestobell's shares at yesterday's 3.30 pm closure time for the offer, of which 27.04 per cent represented acceptances.

Shares of Bestobell, the fluid engineering and insulation company *initially slithered to 200p* on the news, later recovering to close at 208p for a loss on the day of 15p. BTR's shares gained 2p to 328p.

Commenting on the failure of the bid, BTR's managing director, Mr. Owen Green, said the company would review its holding in Bestobell, which "I hope will go ahead and fulfill its promises."

Including late purchases, the rubber and engineering group will be left with just over a quarter of Bestobell's equity. Its bid, increased two weeks ago, comprised a cash offer of 220p a share or the alternative of 11 BTR shares for 15 of Bestobell's. At *last night's closing prices*, the share exchange terms valued the company at around £31m.

Between 55 and 60 per cent of the Bestobell shares were in the hands of institutions, with 14 accounting for just under 38 per cent. Those 14, including Britannic Assurance with a 10 per cent stake, backed the company's efforts to stay independent.

BTR and its advisers, Hill Samuel, were thwarted by the decision of three insurance companies to stay in the Bestobell camp, although they were expected on Thursday night to accept the *bid*.

The contest has been a hotly fought one, with Bestobell claiming that the bid undervalued the company and forecasting a profit rise of 30 per cent for this year. BTR has cast doubt on its ability to achieve this.

The Takeover Panel was also briefly involved when BTR complained about the way in which Bestobell worded its final major defence letter, but it decided to take *no action.*

In a different direction, it was announced yesterday that BTR is planning to invest over £2m for a stake of 20-25 per cent in the overseas trading company of Blyth, Greene, Jourdain. The John Swire group will boost its stake from just under 30 per cent to more than 50 per cent. "This marks the first important step of our entry into southeast Asia," *said Mr. Green.*

Nat. Carbonising to buy £3.8m stake in Weeks Petroleum

BY CHRISTINE MOIR

National Carbonising is to buy a 5.7 per cent stake costing £3.8m in Weeks Petroleum, a *Bermuda-based oil exploration* company recently listed on the Stock Exchange.

Shareholders were told of the purchase—involving 2.75m shares of which 1.75m have already been bought—by the new chairman, Mr. Graham Ferguson Lacey, immediately *after yesterday's annual meeting.*

The purchase, financed by a foreign currency loan, will be put to shareholders at a special meeting. Yesterday, Weeks shares rose by 15p, to 250p at which level the oil company is capitalised at £120.63m. Carbonising's stake has, therefore, a current theoretical value of £6.88m.

Carbonising's non-energy divisions commercial distribution, flowmeter manufacture and minerals—are being "reconsidered." The engineering side has been slimmed down by closures and Mr. Ferguson-Lacey *admitted that in the near future* the commercial vehicle business was likely to be sold.

Mr. Michael Gaze, the outgoing *chairman*, said the group traded profitably in the first quarter, but, although profits from vehicles continued to increase they had not reached a satisfactory ratio to turnover.

Mr. Ferguson Lacey promised shareholders that the aim was not to turn the company into a "mini energy investment trust." The board intended to build upon its energy interests including the original coal carbonising business. This, he said, showed great potential in South Africa and North America.

The purchase of the Weeks stake is to be complemented by a "pooling agreement" with certain other shareholders in Weeks. Together the parties would control 24.8 per cent of Weeks and they have agreed to vote all their shares together for 12 months. Certain pre-emptive rights over sales of the individual stakes have also been agreed.

The other parties include Dr. Paul Temple, who helped to set up Weeks with the late Dr. Lewis Weeks, the founder geologist. He became chief executive but parted company with Weeks in 1975. His associates are Dr. David Morris and the Marques de Cassola.

They are all to join the National Carbonising board. Only the Marques is still a member of the Weeks board, but it is stressed that his appointment to Carbonising is a personal one. He does not represent Weeks in the arrangement. Weeks apparently had no previous knowledge of the deal and National Carbonising has still to meet the Weeks board.

On announcement of the deal Carbonising's shares rose 2p to 83p. The shares to be acquired are a mixture of ordinary and convertible preference shares. Only the latter carry a small dividend. Dividend payments on the ordinary are unlikely for some time, according to the prospective issued in July when Weeks was introduced to the Stock Exchange.

Audiotronic shares suspended as bid for offshoot emerges

SHARES of Audiotronic Holdings were suspended at 13p, down 1p yesterday on the news that discussions are being held which may lead to an offer for a major subsidiary.

The discussions are said to be at an advanced stage and "will depend upon a number of factors including the valuation of certain assets."

Last *month,* Audiotronics announced pre-tax losses of £733,000 (of which £400,000 were at the trading level) for the year to March. Included in those figures were the costs of closing down the Belgian shops.

In addition, below the line were more losses incurred in closing down the photographic business. The previous year the French operation was also closed.

Following these results Audiotronics currently consists of the UK retail business under the Lasky name—where the Lasky family has left the board. Here *two major outlets* have been closed but 12 more are planned to be opened shortly.

Overseas there remains the profitable Dutch chain of shops which produced £8.3m of total *group turnover of £32.2m.*

The distribution business consist of three subsidiaries, E. R. Factors, B. H. Morris and B. Adler. The latter two companies respectively distribute the Trio-Kenwood range of hi-fi equipment, and the Eagle range. *Factors is the wholesaling arm of* the group.

The distribution side, which produces only 22 per cent of turnover, has been supporting the retail business but the group is still in the position of seeking volume to offset overheads on the Lasky chain. Lasky's shops last year produced a turnover of £15.7m.

The annual report and accounts were due to be published on October 1 for an annual meeting on October 24 but these dates are now likely to alter to take account of the post balance sheet changes—likely to be very substantial—if the sale goes through.

LINDUSTRIES REJECTS HANSON

Lindustries has come out with a curt rejection of the repeat 135p a share bid from Hanson Trust, describing the terms as totally inadequate.

Hanson's bid values the company at £26.5m and the bidder *has managed to raise its holding* in Lindustries to nearly 15 per cent since the start of this month.

Mr. E. L. Weiss, the finance director of Lindustries, said yesterday that the board was still digesting the formal offer document from Hanson. It was unlikely that the company would send out its formal reply next week, he added.

SECOND BID FOR EDINBURGH ICE RINK

Edinburgh Ice Rink was on the receiving end of a second bid yesterday, with Glasgow Leisure offering a total of £211,000.

The bidding company is controlled by Mr. James Glasgow, a businessman, who has built up a 35.7 per cent stake in the Edinburgh company and owns curling rinks in the west of Scotland.

The bid comes as Edinburgh Ice Rink is still pondering a recent offer from Murrayfield Ice Rink. Whereas Glasgow Leisure is offering £1.60 cash for every 25p share of Edinburgh, the Murrayfield bid was three of its own £1 shares plus 50p cash for two shares in the Edinburgh concern. Taking the Murrayfield shares at par, this bid is worth just over £221,000.

NEWMAN-TONKS SELLS DECORETTES

Newman-Tonks has signed conditional contracts for the sale of its 90 per cent holding in its subsidiary, Decorettes, for £540,000 payable in cash on completion.

The proposed sale is being made to a company formed for this purpose by the existing management of Decorettes and ICFC which will be providing substantial financial assistance.

Decorettes and its two subsidiaries are engaged in the manufacture and marketing of industrial and decorative transfers and wall coverings.

For the year ended July 31, 1978, the consolidated net profits before tax of Decorettes amounted to £163,716 (attributable to Newman-Tonks — £147,344) and its net tangible assets as shown by the consolidated balance sheet at that date were £825,272 (attributable to Newman-Tonks—£742,745).

Newman-Tonks purchased its present holding in February 1976 and the book value of the investment is £261,878. The proposed transaction will therefore give rise to a surplus of £278,122 before tax.

MINING NEWS

GFSA pays 155 cents final

BY KENNETH MARSTON, MINING EDITOR

BEST EXPECTATIONS are surpassed by the final dividend of 155 cents (83p) declared by the Gold Fields group's 46 per cent-owned Gold Fields of South Africa. It makes a total for the year of 225 cents—covered 1.8 times by earnings—compared with 135 cents for 1977-78.

	Year ended June 30 1979 R000	1978 R000
Income from investmts.	60,993	37,446
Realisation of investts.	7,258	7,928
Fees, interest, etc.	22,324	20,889
Making	90,575	66,271
Exp. & amounts w/off	22,065	24,572
Admin., tech. and gen.	14,502	13,918
Interest paid	[illegible]	3,990
Drilling & prospecting	2,153	2,363
Written off	116	4,301
Profit before tax	68,510	41,664
Taxation	1,503	621
Minorities	324	208
Attributable	[illegible]	40,870
Interim 70c (50c)	11,416	8,153
Final 155c (85c)	25,279	13,856
Retained	29,998	18,858
Earnings per share (cents)	409	251
Times div. covered	1.8	1.9
Net assets per share (cents)	5,748	3,648

Net profits have expanded to R66.7m (£35.7m) from R40.9m and equal 409 cents per share against 251 cents. The latest net asset value has climbed to R57.48 (£30.75) per share from R36.48 a year ago. GFSA shares closed ¼ up at £17 yesterday.

● comment

GFSA draws the bulk of its income from the important South African gold mining investments which remain in a rising dividend phase. But it is expanding into the base-metal field, notably in its partnership with America's Phelps Dodge at the big R180m Black Mountain mine in the north-west Cape which is due to reach production in the first quarter of next year. Providing gold prices are maintained at around current levels GFSA shares are fairly priced at £17 to yield 7.1 per cent on the increased dividend.

CGFA A$6.5m Eneabba deal

Consolidated Gold Fields Australia (CGFA) and its 62 per cent-owned Associated Minerals Consolidated are expanding their mineral sands operations in Western Australia with the proposed purchase of Jennings Industries' mineral leases at Eneabba and of certain of that company's plant, equipment and facilities at Eneabba and Geraldton.

CGFA is 70 per cent owned by London's Consolidated Gold Fields group. Total purchase price is A$6.5m (£3.3m) with an additional A$250,000 for the purchase of certain equipment spares.

AMC already has large reserves of rutile, ilmenite and zircon in Australia and the Jennings deal is regarded as a significant step towards rationalisation of the Eneabba field—a major suplier to the world pigment industry.

CGFA will acquire the mineral leases and AMC the plant equipment and facilities. CGFA intends to transfer the mineral leases in due course to AMC.

The mineral sands industry is in a recovery phase after a period of extreme difficulties. On August 3 AMC announced profits for the year to June of A$225,000 against a loss of A$2.75m in the previous year.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Dalgety, the international agricultural and food merchanting group launched a £73.6m bid for **Spillers**, the second largest miller in Britain. The proposed offer of one Dalgety share for every six Spillers met with instant rejection. Dalgety sees the bid as a commonsense move with Spillers' interests complimentary to its own and sees considerable advantages emanating from streamlining distribution and marketing and from the expansion of overseas markets.

Redman Heenan's offer for **Wellman Engineering** was lapsed following the announcement that holders of 41.6 per cent of the latter's shares had approved the £5.17m acquisition of the Industrial Heating Business Department of General Electric of the U.S. Redman revealed that it controlled about 36 per cent of the Wellman equity.

Hall Engineering intends to sell its mini steel mill to **Manchester Steel**, a subsidiary of the Norwegian Elkern-Spigerverket group, for £11m, a price equal to its net asset value. Hall built the mill in 1974 to supply steel bars for its subsidiary, British Reinforced Concrete Engineering, but its capacity could not be absorbed and Hall found it difficult to sell spare output.

Thomas Tilling extended its spending in the U.S. this year to £79m by the purchase of **Superior Iron Works and Supply Incorporated** for $30m (£13.5m), while **Fisons** agreed to acquire the seeds and engineering business of **Agricultural Holdings**, a private company, for a consideration of about 4.5m ordinary shares, worth some £11.25m.

Lead Industries, in which Imetal of France has a near 25 per cent stake, agreed to pay $50m (£22.3m) cash for several metal operations of **NL Industries** of New York in a deal that will significantly increase the UK company's turnover in the U.S.A., while **Lex Service** acquired **Motor Rim and Wheel Service Incorporated** for $6.1m cash.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alginate Inds.	415*	405	415††	22.6	Merck	28/8
Allen (Edgar)¶¶	69¾*§	61	63	9.63	Aurora Hldgs.	—
Berwick Timpo	75*§	80	68	1.25	Chrtrhse. Japhet & Associates	—
John Bright¶¶	40½*	39	48	4.29	Largs	—
Caplan Profile	136	131	148	9.18	Pentos	—
Cartiers	150*	143	134	19.4	Tesco	24/8
Ellis & McHardy	185*	180	67	2.22	Mackan (UK)	—
Finlas	182*§	175	175	1.33	Challey Secs.	—
Hawthorn Baker	165*	175	135	1.21	Dunlop	24/8
Lindustries	135*§	141	120	23.6	Hanson Tst.	7/9
Pyc Holdings	180*§	170	116	24.5	Philips	—
Sanderson Kaysor	82½§§	78	50††	4.92	GEI	—
Siemssen Hunter	88*	84	78††	5.00	Brit. Arrow	—
Silhouette	101	93	55††	2.02	Pawson	—
Silhouette 'A'	96	88	45††	1.13	Pawson	—
Spillers	50	50	39½	73.6	Dalgety	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. || Date on which scheme is expected to become operative. ** Based on August 17, 1979. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
AGB Research	Apr.	2,237	(1,369)	9.1	(6.5)	4.4	(2.55)
Cavenham	Mar.	35,550	(32,600)	12.4	(14.2)	—	(—)
Dale Elec.	Apr.	3,310	(3,430)†	12.2	(14.6)†	4.12	(3.67)
Fertleman (B.)	Mar.	525L	(122)L	—	(—)	—	(0.4)
Geifer (A. & J.)	Mar.	859	(675)	9.1	(5.2)	3.5	(2.85)
Letraset	Apr.	10,505	(7,407)	19.3	(16.6)	6.49	(5.39)
McKay Secs.	Mar.	711	(386)	5.1	(3.0)	1.6	(0.53)
McLeod Russell	Mar.	4,180	(8,520)	13.2	(45.2)	13.5	(13.5)
Newmark (Louis)	Mar.	1,980	(2,130)	30.0	(33.0)	9.0	(6.72)
Press Tools	Apr.	346	(250)	8.7	(6.0)	2.25	(1.21)
Reliance Knitwear	Apr.	531	(817)	5.7	(11.7)	3.69	(3.21)
SEET	Apr.	1,300	(1,290)	17.5	(17.4)	2.42	(1.83)
Sunley (B.)	Mar.	3,697	(2,642)	9.0	(3.1)	5.0	(4.35)
Vibroplant	Mar.	3,172	(2,609)	33.8	(20.8)	12.4	(10.63)
Webb (Joseph)	Mar.	528	(480)	2.7	(1.2)	0.56	(0.54)
Wiggins Constct.	Mar.	534	(435)	5.3	(4.2)	1.9	(1.65)

Scrip Issue

Joseph Webb: One for eight.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Alexanders Hdgs.	Mar.	246	(239)	—	(—)
Benford Concrete	June	1,300	(1,610)	0.88	(0.67)
Brit. Aluminium	June	11,050	(12,630)	5.5	(5.0)
Carrington Viyella	June	5,090	(5,094)	0.7	(0.7)
Clifford (Charles)	June	215§	(53)§	3.0	(—)
Commercial Union	June	58,100	(58,200)	4.25	(2.86)
Corah	June	1,850	(1,710)	1.25	(0.9)
Dares Estates	June	268	(104)	0.45	(0.25)
Davies & Metcalfe	June	224	(249)	0.46	(0.25)
Dreamland	June	425	(254)	0.7	(0.45)
Evode Holdings	Mar.	322	(372)	0.43	(0.36)
General Accident	June	31,800	(35,700)	5.5	(4.12)
Manchester Ship	June	1,970	(1,723)	7.5	(6.5)
Manor National	June	723	(621)	1.0	(—)
Norvic Secs.	June	105	(94)L	0.4	(—)
Olives Paper	June	158	(149)	0.73	(0.6)
Royal Insurance	June	57,000	(71,600)	8.25	(7.27)
Smith & Nephew	June	10,040	(8,970)	1.25	(0.93)
Squirrel Horn	June	318	(383)	0.75	(0.62)
Stanley (A. G.)	June	1,240	(748)	1.0	(0.67)
TDG	June	9,561	(9,796)	1.45	(1.25)
Tube Invs.	June	30,400	(37,900)	12.5	(10.97)
Turner (W. & E.)	June	475	(278)	0.8	(0.4)
Ultramar	June	23,799	(18,140)	5.0	(—)
Unilever	June	321,800	(295,000)	‡	(8.67)
Wardle (Bernard)	June	575	(561)	0.66	(0.55)
Westwood Dawes	June	65	(7)L	1.0	(—)
Wdhse. & Rixson	June	274	(320)	1.21	(1.16)
Woolw'th (F. W.)	July	16,260	(12,590)	1.35	(1.22)
York Trailer	June	303	(861)	1.38	(1.2)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. * Adjusted for any intervening scrip issue. † 18 months. ‡ Usually declared in November. § Trading profit. || Net income. L Loss.

Rights Issues

Dares Estates: One-for-four at 21p raising £0.472m†
Letraset: One-for-four at 110p raising £9.385m†
† Approximate figure before expenses.

GOLD FIELDS GROUP

GOLD FIELDS OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa)

Preliminary Announcement of Results

The audited consolidated profit for the year ended 30 June 1979 is as follows:

	Year ended 30 June 1979 (R000)	Year ended 30 June 1978 (R000)
Income from investments	60,993	37,446
Surplus on realisation of investments	7,258	7,926
Income from fees, interest, etc.	22,324	20,899
	90,575	66,271
Expenditure and amounts written off	22,065	24,572
Administration, technical and general	14,502	13,918
Interest paid	5,294	3,990
Drilling and prospecting	2,153	2,363
Written off	116	4,301
Profit before taxation	68,510	41,699
Less:	1,827	829
Taxation	1,503	621
Minority shareholders' interest	324	208
Profit attributable to GFSA members	66,683	40,870
Dividends declared:		
Interim 70c (50c)	11,416	8,153
Final 155c (85c)	25,279	13,859
	36,695	22,012
Profit retained	29,988	18,858
	66,683	40,870
Earnings per share—cents	409	251
Times dividend covered	1.8	1.9
Net assets (as valued) per share — cents	5,748	3,648

These results are published in advance of the annual report which will be posted to members on or about 25 September 1979.

The surplus arising from the realisation of investments by the company itself, in order to finance other investments, of R5,808,000 equivalent to 36 cents per share which compares with R5,316,000 equivalent to 33 cents per share for the previous year, is not available for distribution and has been transferred to investment reserve.

DECLARATION OF FINAL DIVIDEND

Dividend No. 61 of 155 cents per share in respect of the year ended 30 June 1979 has been declared in South African currency, payable to members registered at the close of business on 31 August 1979.

Warrants will be posted on or about 4 October 1979.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 31 August 1979 in accordance with the above-mentioned conditions.

The Register of Members will be closed from 1 September to 7 September 1979, inclusive.

London Office:
49 Moorgate,
London EC2R 6BQ.

United Kingdom Registrar:
Close Registrars Limited,
803 High Road,
Leyton,
London E10 7AA.

By order of the Board
C. E. WENNER
London Secretary

17 August 1979

David Freud reports on the Inland Revenue's consultative paper on fringe benefits

Putting the brakes on motoring perks

THE INLAND Revenue's consultative paper is aimed at discouraging the growth in fringe benefits and, if possible, to bring about a contraction in such benefits.

It deals exclusively with car and petrol benefits. The document says that since car benefits are believed to account for about 80 per cent of the total value of fringe benefits, the Government felt it appropriate to begin with this sector.

The previous regime of very high personal tax rates encouraged remuneration in the form of non-cash benefits, and this was one of the reasons the Government initiated a programme of major direct tax cuts in the last Budget.

"Such benefits are seldom shared logically or fairly between taxpayers, they distort and obscure the working of the employment market and, by their nature, they result to a lesser or greater degree in a loss of revenue."

The paper makes various proposals for change and provides a basis for talks with the motor industry and other interested bodies.

The Government would like to move rapidly on the proposals and bring them into effect in the next financial year. The Revenue states that this timing would require the laying of an Order in Parliament by early November.

The key proposals are that the scale of benefit under which people who use company cars are assessed should be made more realistic; the £8,500 threshold should be abolished; and company petrol provided for private motoring should be taxed.

The Revenue suggests that the easiest way to accommodate the changes administratively would be through the employer adding weekly or monthly equivalents of the car and petrol benefits to wages and salaries each pay day.

The benefit could then be taxed at source in the case of all employees, regardless of the level of earnings.

The Revenue points out that the present scale of benefit is well below the true value of a company car as revealed by the 1979 Automobile Association figures.

The AA figures are based on one-half of the standing charges (car tax, depreciation, interest on capital and insurance) and running costs (tyres, servicing and repairs but not petrol and oil) for 8,000 miles a year.

The document states: "As a results of the level of the scale benefits, a taxpayer who is provided with a company car which is available for his private use is treated much more favourably for income-tax purposes than one who provides for his own private motoring.

"Those who use company cars to travel to work have a tax advantage over those who have to pay the full cost of such journeys, whether by car or public transport, out of their taxed income or, if that cost is reimbursed by their employers, are taxed in full on the reimbursement.

"As elsewhere in the tax system, so in the treatment of company cars, the general objective should be to combine equity of treatment with simplicity in administration.

"Administratively, it is preferable to measure the value of the benefits which are common to all users of provided cars. Fiscal equity points to raising the scale figures to a realistic level; and this is less difficult to achieve at a time when the burden of income-tax is being substantially reduced."

A subsidiary reason was the need to contain and reduce demand for oil as it became scarcer and more expensive. "It is important that the tax system should not be used as a means of insulating certain categories of taxpayer from the realities of this situation."

The document says that these considerations "point towards a regime under which the scale figures might be increased to something broadly equivalent to the value of the benefit as measured for example by the AA estimates of the cost of running a car (suitably adapted).

The Revenue presents no ideas on how the structure of the scale—based on car value and engine size—could be changed. "Views on this particular aspect of the scale would be especially welcome."

Where the car is used little, if at all, for business it might be worth considering substituting the present system for a charge of 1½ times the scale rate. This would apply to those employees with second cars or whose business use is less than 1,000 miles a year.

"There is evidence that company cars are being increasingly provided for employees earning less than £8,500, the benefit from which escapes tax altogether. There were 1.6m new cars registered in 1978 of which 70 per cent (1.1m) were provided for the business sector."

This implies that there are between 1.5m and 2m company cars in use at present, of which slightly less than 0.5m are provided for the higher paid and directors. At least 1m escape tax because they are supplied to those earning less than £8,500.

"There is a strong case for abolishing the £8,500 threshold, so that the benefit from company cars would be taxable whatever the salary of the employee."

The case for assessing the benefit on a weekly or monthly basis is made because there would be serious administrative difficulties taking the benefit into account on a provisional basis in the employee's PAYE coding, with an adjustment at the end of the year.

On petrol, the Revenue says that all the evidence shows that the practice of companies paying for employees' private motoring is now rapidly increasing.

This practice increases the inequity of using company cars for private purposes. "In terms of energy conservation such provision without a tax charge runs counter to the principle that energy prices should give consumers accurate signals about the cost of energy supply and is a positive disincentive to containing demand for oil."

The Revenue invites views on the amount and the timing of the introduction of a realistic scale for car benefits; other ways in which the system of taxing car benefits could be improved; administrative problems in introducing a specific charge on the provision of petrol and oil; and the abolition of the £8,500 threshold.

Representations on car scales are invited by October 19 and on other matters by December 31.

The use of company cars

UNDER PRESENT legislation directors and employees earning more than £8,500 with company cars available for private use are assessed for tax on the benefit in three different ways.

- Where the business mileage on a company car is less than 10 per cent of the total, the user is taxed on the annual value of the use of the car, together with other expenses provided by the employer in the relevant proportion of business to private use.

The annual value is assumed at 20 per cent of the original market value for cars up to four years old and 10 per cent if older.

- Where business use is more substantial, the benefit is measured by a scale which ranges from £190 for a car up to 1,300 cc engine capacity to £880 for one costing more than £12,000.
- Finally, where the car is used for at least 25,000 miles a year on business, the scale charges are halved.

CAR BENEFITS TABLE OF COMPARISON

Category of car	Scale benefit £	AA figures for 1979 with running costs for 8,000 miles £
Original market value up to £8,000		
1300 cc or less	190	594
1301-1800 cc	250	695
Over 1800 cc	380	1,044
Original market value over £8,000		
Between £8,000 and £12,000	550	1,732
Over £12,000	880	2,417

AMERICAN RECOVERY FUND NOW AVAILABLE
AN OFFER FROM M&G
UNIT TRUSTS

READ THIS TABLE BEFORE INVESTING	RECOVERY	HIGH INCOME	COMMODITY	AMERICAN RECOVERY
Launch date and price equivalent	MAY'69 12½p	APRIL'69 50p	MARCH'76 50p	JULY'79 50p
Price at 15th August 1979 and estimated current gross yield	126.2p 4.40%	112.8p 9.14%	98.5p xd 4.11%	52.7p 2.25%EST
Percentage rise in Fund offer price since launch date	+909.6%	+125.6%	+97%	NEW FUND
Percentage rise in F.T. Ordinary Index over same period	+37.4%	+2.5%	+20.7%	NEW FUND

FROM £1,000
THE M&G GROUP

Information services halt

POST OFFICE recorded information services originating in London were due to be off the air for about an hour from 6.30 this morning for essential maintenance work to be carried out.

The following services were affected: Teletourist, Dial-a-disc, weather forecast, Stock Exchange weekly round-up, cricket, recipe and motoring information.

Conference to discuss coast

THE PRESSURES which threaten Britain's coastline including tourism, industry and power generation are the subject of a conference at the University of Sussex on September 19 and 20.

With the theme Recreation and the Coast, the conference will begin with a tour of the East Sussex coastline, which will later form the basis of a case study. Further details are available from the Countryside Commission, John Dower House, Crescent Place, Cheltenham, Glos.

Layoffs blamed on imports

IDEAL CLOTHIERS, of Wellingborough, Northamptonshire, is to lay off more than 70 workers because of competition from cheap foreign imports.

The company has been specialising in bespoke tailoring but will switch to casual wear, which requires fewer workers.

£60 000 search for happiness

DUNDEE University is receiving a £62,000 grant from the Scottish Health Education Unit to find out what makes people happy.

A university team will conduct surveys with the aim of discovering how to prevent the social and psychological conditions which can cause physical illness.

PHILIPS' LAMPS HOLDING

(N.V. Gemeenschappelijk Bezit van Aandeelen Philips' Gloeilampenfabrieken)

Half-Yearly Statement to 30th June 1979

This report combines the consolidated data of N.V. Philips' Gloeilampenfabrieken and those of the United States Philips Trust.

Amounts in millions of guilders	1979 2nd quarter	1979 Jan. to June	1978 2nd quarter	1978 Jan. to June
Sales	8,040	15,595	8,006	15,221
Costs	−7,522	−14,574	−7,461	−14,258
Trading profit	518	1,021	545	963
Interest paid less interest received	−149	−315	−147	−298
Balance of other income and charges	−54	−81	−45	−64
Profit before tax	315	625	353	601
Tax on profit	−142	−281	−158	−270
Profit after tax	173	344	195	331
Share in net profit of non-consolidated companies	15	28	17	25
Minority interests	−27	−49	−31	−45
Net profit	161	323	181	311
Trading profit as a percentage of sales	6.4	6.5	6.8	6.3
Profit after tax as a percentage of sales	2.2	2.2	2.4	2.2
Net profit as a percentage of shareholders' equity interest	5.7	5.8	6.7	5.7
Net profit per ordinary share (in guilders)	0.87	1.74	0.98	1.67
Do. on the basis of accounting principles customarily followed in the U.S.A. ($1 =F2.03)	1.02($0.50)	2.03($1.00)	1.17($0.58)	2.05($1.01)

At end of June	1979	1978
Stocks (as a percentage of sales in the last 12 months)	32.3	30.5
Average credit period for trade debtors (in months)	2.6	2.5
Liquid assets	1,228	1,593
Total liabilities as a percentage of total capital employed	62.2	61.7
Number of employees (comparative number at 1 January 1979: 386,700)	387,200	384,200
Of which in the Netherlands (comparative number at 1 January 1979: 83,100)	82,800	83,600

Sales
Sales in the second quarter showed hardly any increase: over the period from January to June the increase was 2% (in 1978: 10% and 7% in relation to the corresponding periods of 1977).

Profit
Trading profit amounted to 6.4% of sales in the second quarter and 6.5% in the period from January to June (1978: 6.8% and 6.3%). Net profit was 5.7% to shareholders' equity interest in the second quarter and 5.8% for the period from January to June (1978: 6.7% and 5.7%). In calculating profit and capital employed, allowance has been made for an estimated proportion of those provisions which, as anticipated, will have to be made at the end of the financial year.

Profit per ordinary share in 1979 and 1978 has been calculated on the basis of the number of ordinary shares as at 30 June 1979 and 31 December 1978.

Assuming conversion of all outstanding convertible debentures the profit per ordinary share in the January-June period of 1979 calculated on the basis of accounting principles customarily followed in the U.S.A. would be 6% lower.

N.V. Philips' Gloeilampenfabrieken
THE BOARD OF MANAGEMENT

Eindhoven, *14 August 1979.*

PHILIPS

Early small losses on Wall St.

INVESTMENT DOLLAR PREMIUM

$2.60 to £1—32¼% (32¼%)

Effective $2.2180 12¾% (13¼%)

FURTHER SMALL losses were recorded in fairly slow trading on Wall Street yesterday, following some profit-taking, although several Oil issues firmed.

By 1 pm the Dow Jones Industrial Average was off another 1.10 to 882.94, reducing its rise on the week to 15.88, while the NYSE All Common

Closing prices and market reports were not available for this edition.

Index, at $61.65, was up 9 cents on the day and $1.01 on the week. Trading volume sharply contracted 13.80m shares to 22.47m, compared with 1 pm on Thursday. Declines led advances by a seven-to-five majority.

Analysts said the recent interest rate increases, which in the past might have been a market negative, were being viewed as positive action to contain inflation and aid the dollar.

Government sources said President Carter would announce decontrol of Heavy Oil in the afternoon. **Standard Oil of California** added $1¼ at $51¼ and **Getty Oil** $2¼ at $55, both in active trading.

Continental Corporation eased $¼ to $26¼—it will buy a 20 per cent stake in Stenhouse Holdings, of London.

THE AMERICAN SE Market Value Index rose 1.85 to 209.83 on a turnover of 2.55m (3.71m) shares.

Volume leader **Houston Oil and Minerals** added $¾ at $22¾.

Whippany Paper Board dropped $1¼ to $9¼—it accepted a $15-a-share takeover proposal from a new company to be formed by **R. Carl Chandler**.

CANADA—Markets continued to move higher in active trading yesterday morning, when the Toronto Composite Index rose 5.0 to 1611.3.

The Oil and Gas Index put on 23.7 to 2,833.3, Metals and Minerals 1.4 to 1,373.8, Utilities 0.62 to 233.22 Papers 0.03 to 176.02 and Golds 3.6 to 1,804.2. But Banks shed 1.62 to 323.52.

Home Oil "A" were marked up $15¼ to $82¼ and **Consumers Gas** $1 to $24¼—Consumers will offer $85 for each Home "A" and "B" share, or the equivalent in Consumers Voting Convertible Preferred.

Automotive Hardware "A" rose $¼ to $15¼ on higher earnings. **Federal Pioneer "A"** slipped $¼ to $37 on lower results.

TOKYO — Slightly higher in active trading. Volume 300m shares.

Front-runnings Oils and Coals lower on profit-taking after wide fluctuations.

BRUSSELS—Mixed to mostly lower in quiet trading.

UK, Dutch, French and U.S. stocks all fell, but Canadians and Germans little changed.

JOHANNESBURG — Gold shares firmed in fairly active trading.

Grootvlei put on 25 cents to R3.60 following statement mine life may be prolonged.

Mining Financials also firmed. Coppers and Platinums eased. Industrials and Collieries harder in fairly quiet trading.

SWITZERLAND—Prices continued higher on active Domestic and Foreign demand, following stronger dollar and declining inflationary pressures.

Chemicals featured on increased Foreign buying. Banks and Financials slightly firmer. Insurances mixed.

Domestic and Foreign Bonds very steady in moderate turnover. Dollar stocks traded around overnight New York levels. Dutch Internationals barely steady. Germans narrowly higher.

MILAN—Mixed in fairly quiet trading.

Most leading Industrials steadied, Financials showed some losses.

Bonds fairly steady.

GERMANY—Leading shares narrowly mixed after very low turnover.

Dresdner, up DM 2.70, led Banks, **Hoechst**, up DM 1.30, led Chemicals, and **Mannesmann**, up DM 2, led Steels.

Motors mixed, as were Engineerings.

Public Authority Loans steady. Bundesbank sold nominal DM 3.7m of stock in open market operations.

Mark - Denominated Foreign Loans eased.

PARIS—Generally easier in thin trading.

Food shares weaker. Carrefour off FFr 20 to 1,630 *after first half* profit figures.

Cars, Constructions, Stores, Electricals and Steels eased.

Oils and Banks firm, as were Investment Companies.

U.S., Oil, Copper and Dutch issues weakened, Germans well maintained, Canadians firm. Golds steady.

AMSTERDAM—Mostly lower in quiet trading.

Banks easier, Shippings mixed. State Loans mixed.

Indices

NEW YORK—DOW JONES

	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 10	Aug. 9	1979 High	1979 Low	Since Compil'tn High	Since Compil'tn Low
● Industr'ls	884.04	885.84	876.71	875.26	867.06	856.28	885.94 (15/8)	807.00 (27/2)	1051.70 (11/73)	41.22 (2/7/32)
H'me B'nds	85.66	86.10	86.40	85.74	85.85	85.87	86.10 (15/8)	82.92 (8/6)	—	—
Transport.	262.86	271.77	269.56	269.11	264.49	262.22	271.77 (15/8)	205.78 (27/2)	279.88 (7/2/69)	12.25 (8/7/32)
Utilities	106.00	108.98	108.86	108.49	102.15	108.29	109.00 (16/8)	96.51 (15/5)	165.32 (20/4/69)	10.58 (28/4/42)
Trading Vol 000's	47,780	46,250	41,010	41,950	36,740	34,680	—	—	—	—

● Day's high 893.60 low 878.75

	Aug. 10	Aug. 3	July 27	Year ago (approx)
Ind. div. yield %	5.64	5.73	5.78	5.26

STANDARD AND POORS

	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 10	Aug. 9	1979 High	1979 Low	SinceC'mpil't'n High	SinceC'mpil't'n Low
‡Indust'ls	119.70	118.83	118.88	118.91	117.75	116.71	119.88 (15/8)	107.88 (27/2)	134.64 (11/1/73)	3.52 (30/6/32)
‡Composite	108.09	108.25	107.52	107.42	106.40	105.43	108.25 (15/8)	96.13 (27/2)	125.85 (11/1/73)	4.40 (1/6/32)

	Aug. 15	Aug. 8	Aug. 1	Year ago (approx)
Ind. div. yield %	5.08	5.13	5.22	4.70
Ind. P/E Ratio	8.41	8.21	8.07	9.99
Long Gov. Bond Yield	8.89	8.85	8.91	8.54

N.Y.S.E. ALL COMMON

Aug. 16	Aug. 15	Aug. 14	Aug. 13	1979 High	1979 Low
61.56	61.65	61.26	61.13	61.68 (15/8)	53.68 (27/3)

Rises and Falls

	Aug. 16	Aug. 15	Aug. 14
Issues Traded	1,909	1,883	1,912
Rises	697	918	823
Falls	797	534	658
Unchanged	415	440	431
New Highs	162	176	142
New Lows	4	4	3

MONTREAL

	Aug. 16	Aug. 15	Aug. 14	Aug. 13	1979 High	1979 Low
Industrial	274.86	273.05	267.66	265.78	278.13 (28/6)	218.19 (2/1)
Combined	272.69	271.53	267.89	266.56	276.15 (28/6)	225.88 (2/1)

TORONTO	Aug. 16	Aug. 15	Aug. 14	Aug. 13	1979 High	1979 Low
Composite	1605.9	1600.7	1584.5	1592.1	1618.6 (28/6)	1315.8 (2/1)

JOHANNESBURG	Aug. 16	Aug. 15	Aug. 14	Aug. 13	1979 High	1979 Low
Gold	301.8	302.5	300.9	302.5	308.4 (25/6)	222.4 (17/4)
Industrial	337.8	335.7	331.9	328.8	337.8 (16/8)	270.5 (2/1)

	Aug. 17	Pre-vious	1979 High	1979 Low
Australia (¶)	621.58	620.93	621.58 (17/8)	545.72 (2/1)
Belgium (‖)	105.58	105.76	109.00 (5/7)	95.20 (3/1)
Denmark (**)	97.16	96.22	97.68 (25/7)	88.32 (5/1)
France (‡‡)	88.6	88.8	91.0 (13/8)	71.5 (15/2)
Germany (‡‡)	751.30	[illegible]	339.6 (16/1)	719.4 (7/6)
Holland (§§)	76.4	76.4	85.9 (26/1)	71.3 (7/6)
Hong Kong	614.88	615.89	635.72 (13/8)	493.33 (2/1)
Italy (‖‖)	84.75	83.97	84.75 (17/8)	68.58 (2/1)
Japan (a)	455.84	455.41	462.91 (31/1)	435.13 (13/7)
Singapore (b)	406.38	402.80	405.30 (17/8)	346.34 (25/3)

	Aug. 17	Pre-vious	1979 high	1979 Low
Spain (d)	95.82	92.52	111.95 (6/3)	91.42 (13/7)
Sweden (e)	386.80	385.19	401.34 (6/3)	335.86 (25/6)
Switzerld (f)	325.5	328.8	339.1 (2/5)	294.0 (3/1)

Indices and base dates (all base values 100 except NYSE All Common — 50; Standards and Poors—10; and Toronto 300—1,000; the last named based on 1975). † Excluding bonds. ‡ 400 Industrials. § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31/12/63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec., 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 29/12/78. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

THURSDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Holiday Inns	810,700	21¼	—
Greyhound Wts.	806,100	2	+ ¾
RCA	502,100	25⅞	+ ¼
IBM	473,600	71⅞	− ¾
G. D. Searle	471,700	15¼	+ ¼
Ralston Purina	450,800	11¾	+ ¼
CIT Financial	407,900	53¾	− ¼
Contl. Air Lines	405,800	13¼	− ¼
Texaco	400,100	27⅛	—
Int. Tel. & Tel.	371,300	29¼	+ ¼

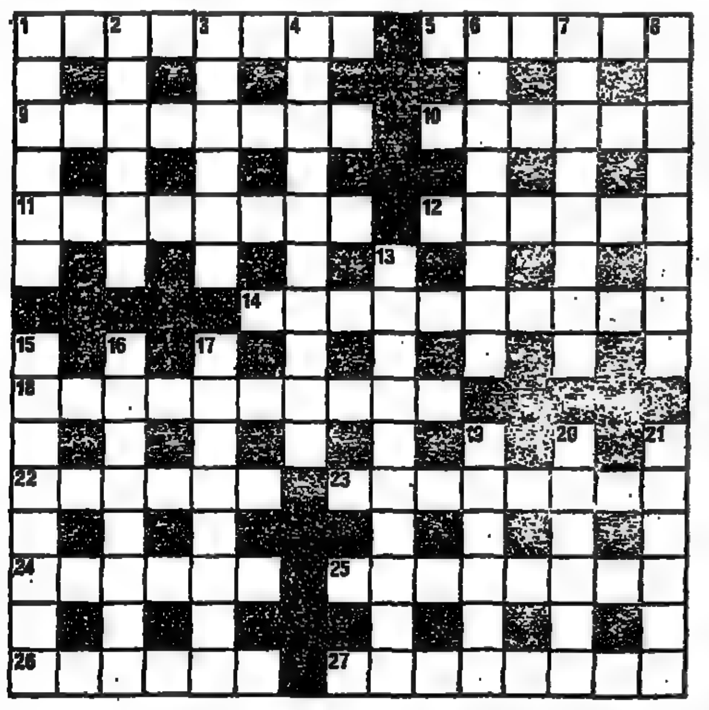
F.T. CROSSWORD PUZZLE No. 4,051

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



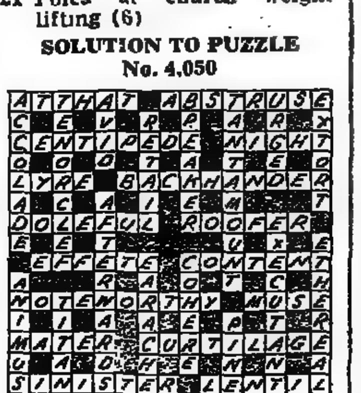
ACROSS

1 Bloomer to wed for money they say (8)
5 He can carry his beer (6)
9 Flower climbed behind stone (4, 4)
10 Blushing to take strong drink to racehorse (3, 3)
11 Factory worker quite a number call generous (8)
12 Players willing to start *knitting* (4, 3)
14 Handle tike perhaps with others similar (3, 3, 4)
18 Happy with tiny bit of argument (10)
22 Spice for united teachers and Margaret (6)
23 Firing motorist welcomes for a start (8)
24 Ought church to take chance with fur? (6)
25 Living with firm kind of hedge (5-3)
26 Joker takes West-end mealtime service . . (3-3)
27 . . . if necessary when an arrest is made (2, 1, 5)

DOWN

1 Spoil cast in muddy condition (6)
2 Modern engineers' foreign money (6)
3 Rig has become loud (6)
4 Almost too late to endure meeting record (4, 6)
6 Intimidates superior on Scots loch at start of day (8)
7 Run away with revolution to follow (4, 4)
8 Line-shooter gets love story right (8)
13 Speciality in armour (6, 4)
15 Discover what was transmitted in sound (5, 3)
16 Hate a man for disfiguring detested thing (8)
17 Girl gets writer to run away (8)
19 Old Nick turns up with trophy in Kent (6)
20 Discovers way to strike boy (4, 2)
21 Poles at church weightlifting (6)

SOLUTION TO PUZZLE No. 4,050



SOLUTION AND WINNERS OF PUZZLE No. 4,045

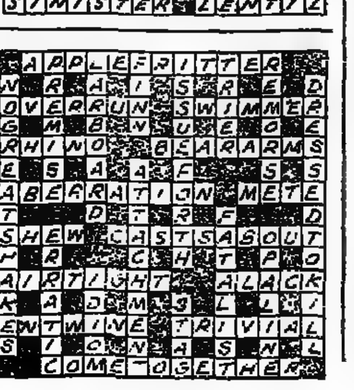
Following are winners of last Saturday's prize puzzle:

Mr. J. Maclachlan, 4, Woodfield Lane, Stutton, nr. Ipswich.

Miss B. B. Moore, 17, Wadham

Miss B. B. Moore, 17, Wadham Street, Weston-super-Mare, Avon.

Mrs. M. Speer, 33, Beechdale Avenue, Birmingham B44 9DJ.



RACING BY DOMINIC WIGAN

Niniski must win to keep Leger rating

IF NINISKI is to retain his position as second favourite behind the Queen's Milford for Britain's oldest and now most unfashionable classic, the St. *Leger, he must run out a clear* cut winner of today's Geoffrey Freer Stakes.

This I believe he will do.

The winner of a 28-runner maiden event over a mile at Newmarket in May, Niniski produced by far his most impressive display to date at Goodwood 18 days ago, running More Light to threequarters of a length in the Gordon Stakes.

Considering that the Ilern colt was having his first race since the Derby, his performance was undoubtedly a highly creditable effort. Running on in determined style which augurs for today's furlong-longer trip, Niniski might well have caught his stable mate with another half furlong or so to go.

With Fall Knight two and a half lengths behind in third place, Ryan Price should have a good idea as to whether Niniski's market rival, M-Lolshan, can beat the St. Leger hope. M-Lolshan accounted for only a poor opponent in Goblin last time out and the race's sole course-and-distance winner, Vital Season, may well give the selection most to do.

Over three inches of rain had fallen at York this month before Thursday's overnight downpour and it now seems that Knavesmire will be riding on the soft side of good at best next week. A course not noted for drying out qualities, York will nevertheless provide some fascinating racing whatever the conditions.

Ante-post backers with their eyes set on the week's feature handicap, the Tote Ebor would *seem well advised to sort out* those animals who relish plenty of cut in the ground.

Three whose already bright prospects will be enhanced further by testing conditions are the favourite, Shaftesbury, whose Groenendale victory came in similar ground, and two longer priced animals, Move Off and Arrow.

Move Off's sire, Farm Walk, was a dour battler who invariably made his presence felt under stiff weights in smart handicap company and Move Off strikes me as having many of those qualities. Still available at 20-1, Move Off represents sound each-way value.

NEWBURY

2.00—Blue Patrol
2.30—Niniski***
3.00—March Spark
3.30—Concession**
4.00—Susarma*
4.30—Cabana

RIPON

1.45—Bruce Lee
2.15—Sebastiano
2.45—Shuffling
3.15—Baxters Green
3.45—Delaney's Cross
4.15—Cleveland

NEW YORK

CANADA

GERMANY ♦

AUSTRALIA

PARIS

STOCKHOLM

COPENHAGEN ●

AMSTERDAM

MILAN

TOKYO ¶

SWITZERLAND ●

JOHANNESBURG

SPAIN ▼

BRAZIL

BRUSSELS/LUXEMBOURG

VIENNA

OSLO

Source: Nikko Securities, Tokyo

Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude S premium. Belgian dividends are after withholding tax.

Andresens Bank may merge with Christainia

By Fay Gjester in Oslo

TWO OF NORWAY'S leading commercial banks, Christiania Bank og Kreditkasse and Andresens Bank, are considering a merger in a deal which could be worth NKr133m ($27m).

Christiania is the third largest commercial bank in the country, and Andresens the fourth. Should they merge, the resulting bank would be Norway's second largest, with a share capital of NKr 450m. Bergen Bank (capital NKr 400m) would move down to third place. The biggest commercial bank in Norway, Den Norske Creditbank (DNC), has a capital of NKr 520m.

Last week DNC purchased 7½ per cent of Andresens equity — taking its shareholding up to around 8¼ per cent — for NKr 10m, suggesting that Andresens' total stock market value is of the order of NKr 133m. The shares changed hands under the provisions of Norway's bank democratisation law, which obliges the state to buy bank shares at a "fair" price if shareholders wish to sell.

Many Andresens shareholders took this option, following the bank's poor results last year. It was involved in write-offs totalling NKr 66m, mainly on its shipping engagemnts and its involvement with the troubled Norinvest finance company. No dividend was paid for 1978.

The DNC purchase of Andresens shares revived rumours that DNC was considering a takeover of the smaller bank. Talks on a possible merger between them were held a couple of years ago, but came to nothing. Christianias' management now seems to have decided to pre-empt a DNC takeover by making an offer. Like DNC, Christiania had a profitable year in 1978, and paid an unchanged 11 per cent dividend.

The First Viking Commodity Trusts

Commodity Trust OFFER 36.8xd BID 35

Commodity & General Management Co Ltd
18-72 St George's Street
Douglas Isle of Man
Tel: 0624-25015

BHP to ask shareholders for A$135m rights cash

BY JAMES FORTH IN SYDNEY

AUSTRALIA'S largest industrial group and sole steelmaker, Broken Hill Proprietary plans to raise almost A$135m ($151m) through a rights issue.

The new funds are to be used to finance further development and investments, particularly in the petroleum, minerals and steel divisions, and for the general purposes of the group.

The issue will be a one-for-nine at A$4.50 a share. The issue contains a generous bonus element with BHP selling at A$9.44 in the market. The rights offering comes only a few months afters BHP's one-for-five scrip issue. It will increase the number of shares in issue by 30m to 294m, giving a paid capital of A$588.5m.

The directors said that they expected that the current annual dividend rate would be maintained on the increased capital. BHP will also issue a further 300,000 shares to be allocated between the BHP wages retirement fund and the BHP staff superannuation fund.

BHP has expansion plans under way in all its divisions and is involved in costly oil exploration, particularly in the Bass Strait and on the Exmouth Plateau in Western Australia. The companies recently reported record profits of A$189m for the year to May 31.

* * *

The transport and materials handling group Brambles Industries increased profit by 18 per cent in the year to June 30, and plans to seek A$6.1m from shareholders. Group earnings rose from A$12.5m to A$14.8m, and the dividend has been raised from 10 cents to 10.5 cents. Moreover, it is payable on capital increased during the year by a one-for-10 scrip issue. The cash issue is also on a one-for-10 basis at A$1 a share, compared with yesterday's closing price of A$1.76.

The directors said that the year had been a difficult one for the company and many of its customers. The strike by truck owner-drivers across Australia last April compounded the intermittent industrial disruptions in public-owned transport and related services, resulting in a great loss of revenue and a severe imbalance in costs, particularly in freight forwarding.

Brambles expects to receive its first dividend from UK operations in the current year. The group result equalled 24.2 cents a share compared with 21.9 cents in 1977-78, and sales rose by 11 per cent from A$220m to A$245m.

Aircraft financing from JAL

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

JAPAN AIRLINES (JAL) is to increase its capital by the equivalent of $55m from Y49.7bn to Y61.74bn later this year by a public share issue and a rights issue to existing shareholders. The purpose of the fundraising will be to finance new aircraft purchases.

All shareholders registered on September 30 will be entitled to a three-for-20 rights issue of shares, equivalent to 15 per cent of their holdings, at the face value of Y500, together with a free distribution of shares equivalent to 5 per cent of their holdings.

A public issue of 4.2m shares will be made at market price on December 15. JAL says it has plans to raise money on the international capital markets (probably the Eurodollar market) in the not too distant future, but has yet to work out details.

The capital increase will have the effect of reducing the Government holding in JAL from 43.66 per cent to 41 per cent of its total capital.

* * *

Toray Industries, the largest synthetic fibre maker in Japan, reports a consolidated net profit for the year ended March 31 of Y10.4bn ($48m) a turnround from the Y3.7bn loss registered in the previous year, writes Richard Hanson from Tokyo.

Sales were up only 1.7 per cent on a consolidated basis, mostly because synthetic fibre sales (up only 0.5 per cent) were sluggish to overseas markets. The share of exports fell to 27 per cent from 31 per cent, mostly because of the yen's appreciation during much of the year.

Domestic demand for fibres recovered, however, allowing increases in prices. Sales of speciality products were also up. Plastics sales were up 6.6 per cent to Y61.3bn, but chemical sales dropped 20 per cent to Y15.1bn.

The return to a net profit on a consolidated basis was attributed to a combination of lower raw material import costs (as a result of the higher yen), energy conservation, rationalisation measures and a decline in interest costs.

Toray forecasts that consolidated sales will rise this year to about Y550bn, while net profit will increase to Y13.5bn. But the company cautioned that the results may be affected by exchange rate changes and developments concerning oil—a basic raw material.

Carrefour margins fall

BY OUR FINANCIAL STAFF

PROVISIONAL first half pre-tax profits of Carrefour, France's leading supermarket company, rose only 2.6 per cent to FFr 164.3m ($38.6m) despite a 20 per cent jump in sales to FFr 4.6bn.

The marginal increase is in sharp contrast to the big jumps posted by the group in the past three years, and comes only months after the management forecast a 20 per cent growth in profit for the whole of 1979.

It is sticking to the forecast in spite of the first half figure, but has stated that the forecast is based on the assumption that there are no sharp variations in the exchange rate of the franc.

The company has streamlined its foreign activity, withdrawing from Germany, Belgium and South Africa last year, and is concentrating on expanding in Spain and Brazil. In France it was expecting steady growth and planned to improve stock control, distribution efficiency and productivity.

In 1978 profit margins were around 4.2 per cent, but in the current first half the margin has dropped to 3.6 per cent.

Ansett lifts stake in Ampol to 20%

By Our Sydney Correspondent

ANSETT Transport Industries moved back into the share market yesterday, boosting its holding in Ampol Petroleum from 14 per cent to 20 per cent and sparking off counter-buying. In another day of heavy trading, more than 14m Ampol shares changed hands, practically all at 90 cents.

Ansett's broker Potter Partners stepped into the market in the morning and bought 7m Ampol shares during the morning session. Ansett then announced that it had acquired a 20 per cent holding in Ampol, and that its buying had now been completed.

Potter withdrew from the market in the afternoon session, and was replaced by two other broking firms, Melbourne's J. B. Were and Sydney's Ord Minnett. Were is Ampol's traditional broker, and handled Ampol's recent purchases of a 20 per cent interest in Ansett.

Were bought 4m Ampol shares, or 2.7 per cent of the capital, and is thought to have been buying for "friends" of Ampol. A similar ruse was adopted during Ampol's raid on Ansett, when friends of Ansett purchased 8.5 per cent of the airline, hotel and television group.

Ord bought 2m Ampol shares, or 1.35 per cent of the capital, and it is not clear whether it was also operating for Ampol friends or for yet another unidentified party. Ansett's 20 per cent stake makes it easily the largest shareholders in Ampol, with no large countervailing holdings.

However, Ansett has three other major shareholders besides Ampol. The Western Australian company, Bell Group, controlled by the Perth businessman Mr. Robert Holmes a'Court, has bought 12.5 per cent on the market, and is aiming for 20 per cent, although it recently halted purchases.

Late last night, Ampol directors released a statement apparently designed to persuade shareholders to retain their shares. They said that profits for the first 10 months of the current year were already higher than for the whole of 1977-78, and they were confident of prospects for further capital appreciation of the shares.

Car leaders uncertain on Chrysler price rebates

DETROIT — General Motors Corporation and Ford Motor Company appear reluctant to follow Chrysler Corporation's plan to offer $400 cash rebates to customers in a bid to boost its faltering sales and provide an influx of much-needed cash.

But Ford Motor yesterday announced the car industry's first suspension of 1980 production, starting on Monday, only weeks after it began building its new cars, and months before they are to go on sale.

The No. 2 car maker disclosed that it has planned one-week closing at its Louisville, Kentucky, and Wayne, Michigan, car plants next week. To balance inventories. At the Louisville plant, which produces full-sized cars, 1,350 workers wil be laid off. At the Wayne plant, which builds slightly smaller Granada, Monarch and Versailles models, 4,000 workers will be laid off temporarily.

The move is a result of huge lingering dealer stocks of 1979 models and the recent slow pace of sales of big cars. Both problems have already prompted Ford and the rest of the U.S. car industry to delay the introduction of 1980 models by two weeks until mid-October.

As previously reported Chrysler intends to offer payments direct from the factory to customers, to entice more people in Chrysler showrooms and break a logjam of unsold units currently held by both the company and its dealers.

The rebate programme was announced publicly yesterday and the company will begin advertising it this weekend. Chrysler dealers were informed earlier this week.

In recent months, all the Big Three car makers have repeatedly said they were opposed to offering rebates in the current car sales slump to whittle down excess stocks of cars and trucks. But Chrysler, partly at the urging of its dealers, relented on the grounds it has no choice but to try them, if it hopes to get rid of left over 1979 models in time for an orderly start to the 1980 model year.

GM and Ford are resisting so far. In response to questions, GM yesterday said the No. 1 car company is not actively considering cash rebates and does not consider them part of the company's marketing plan.

Rather, GM said that earlier this week it had extended its programme of discounts and incentives to dealers to encourage them to cut showroom prices and generate customer interest and sales.

Mr. William O. Bourke, Ford's executive vice president for North American automotive operations, told reporters here that the company does not believe rebates are productive. But he left the door open by saying Ford will probably take a wait and see attitude.

Nevertheless, one Ford source acknowledged that the rest of the industry may be forced to follow Chrysler's lead for consideration once a week," and not want to.

At Ford, the rebate idea "gets thrown on the table for consideration nore a wek," and each time it has been promptly rejected by top executives, he said. But he acknowledged that things could change pretty quickly if the Chrysler plan turns out to be successful and starts taking sales from Ford.

AP-DJ

Upsurge at Hewlett-Packard

BY OUR FINANCIAL STAFF

HEWLETT-PACKARD, claimed to be the world's largest maker of electronic measuring instruments, has reported a further upsurge in earnings in the third quarter, indicating that the year-end total may surpass the 30 per cent increase predicted by stock market analysts.

Net earnings are 46 per cent ahead at $147m at the nine-month stage, with per share earnings at $2.50 against $1.76 last time. Sales have put on 38 per cent to $1.67bn.

The second quarter brought in net earnings of $52m, some 58 per cent above the comparative total, with per share earnings at 89 cents against 57 cents previously. At $617m, sales gained 44 per cent. All earnings for 1978 are re-stated to reflect a two-for-one stock split in June this year.

For the full year, a rise of around 32 per cent on last year's sales of $1.73bn has been predicted.

European operations provided 28 per cent of sales and 24 per cent of operating income last year, with other foreign operations bringing in 9.4 per cent and 4.8 per cent respectively.

The bulk of profits traditionally comes from electronic testing and measuring products (52 per cent) and from electronic data products (36 per cent).

Margins are expected to be well maintained, with costs efficiencies offsetting research expenses.

Dresser little changed in third quarter

BY OUR FINANCIAL STAFF

DRESSER INDUSTRIES, the Houston-based manufacturer of equipment for the oil, gas and chemical industries, saw net earnings for the third quarter ended July 31 edge upwards from $50.2m or $1.28 a share to $52.5m or $1.35 a share. Sales for the quarter rose from $778.8m to $851.3m.

The company said that the short-term outlook for earnings remains favourable, but operations will continue to be under some pressure from inflation and a slowdown in domestic drilling activity.

Dresser expects to benefit in the long term from the development of the synthetic fuels industry, as well as predicting continued growth in its existing energy and natural resources markets.

At the nine months stage, earnings were 11.8 per cent ahead at $153.5m or $3.97 a share compared with $137.7m or $3.52. Sales for the first three quarters totalled $2.49bn against $2.18bn.

I.G. Index Limited 01-351 3466. March Cocoa 1511-1521
29 Lamont Road, London SW10 0HS.
1. Tax-free trading on commodity futures.
2. The commodity futures market for the small investor.

COMMODITIES/REVIEW OF THE WEEK

Producer buying boosts coffee

BY OUR COMMODITIES STAFF

PRODUCER SUPPORT buying was again the major influence in the coffee market where the November position closed £78 higher at £1,802 a tonne following a £23.5 rise yesterday.

Serious Brazilian frost fears have almost disappeared now but a new crop set-back was reported in mid-week when local sources reported an outbreak of coffee rust disease in the state of Parana.

Traders said the disease, coupled with last month's cold weather, may have trimmed another 700,000 bags (60 kilos each) off the 6.7m bags Parana crop estimate for the coming season which was published following the frost at the end of May.

The rust reports boosted values temporarily but London dealers said the most important factor overall was the support buying by the Bogota producer group. They said there was very little physical dealing this week.

Cocoa prices also rose with the December quotation on the London futures market gaining £51 yesterday to end the week £59 higher at £1,475.5 a tonne. Dealers said yesterday's advance mainly reflected the fall in the value of the pound. Some producer selling was evident at the higher levels but there was little manufacturer buying interest, they added.

From a fundamental point of view the week was relatively featureless though London brokers Inter Commodities published a report forecasting that cocoa supplies would exceed demand by 60,000 tonnes in the 1979-80 season—the same figure as in the previous season.

Most traders interpreted this as mildly "bearish" but it appeared to have little effect on market sentiment.

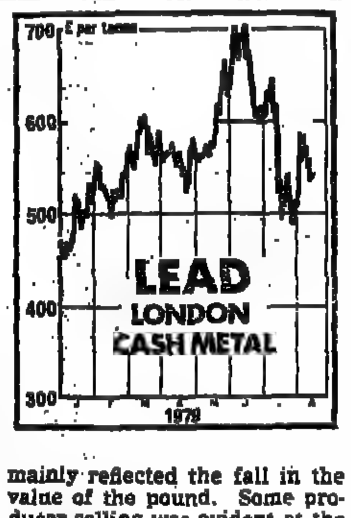
Continued buying interest lifted world sugar values again this week and the London daily raws price ended £2 higher at £102 a tonne.

Copper prices gained ground again this week, encouraged mainly by a shortage of supplies available to the market. Cash wirebars rose by £25.5 to £902 a tonne establishing a premium of £4.5 over three months wirebars, which were £17.5 higher on the week at £897.5.

Warehouse stocks continue to decline and it is thought that a large proportion of the stocks are in firm hands — either merchants or producers needing to meet future delivery commitments or long-term investors not prepared to sell at present levels.

Lead prices, however, fell sharply again following some heavy trade selling by one dealer in particular. The decline was halted by news of a threatened strike at a Mexican lead/silver mine next week and the feeling that the decline may have been overdone. Nevertheless cash lead ended the week £34 down at £539 a tonne. Its premium over the three months quotation was cut from £20 to £6 reflecting the easier supply situation.

Zinc followed the downward trend in lead. But tin prices ended the week higher, despite a weaker trend initially in the Penang market. The rise in London was encouraged by the lower trend in the value of sterling, and a renewed squeeze on supplies which pushed the cash price, up by £197.5 to £6,707.5 a tonne, to a slight premium over the three months quotation.



WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1979 High	1979 Low
METALS					
Aluminium	£710/50	—	£680	£730	£710
Free Markets c.i.f.	$1,540/60	−5	$1050/70	$1,540	$1,210
Antimony					
Free Market 99.6%	$2950/3050	−12.5	$2,450/500	$3,300	$2,712.5
Copper Cash Wire Bars	£902	+25.5	£733.5	£1,062.5	£769
3 months Do. Do	£879.5	+17.5	£750.25	£1,073.75	£783.75
Cash Cathodes	£868	+18	£729	£1,054	£744.5
3 months Do	£861.5	+16	£745	£1,068	£767.25
Gold per oz	$299.875	−2.5	$210.375	$306.375	$216.625
Lead cash §	£539	−34	£332.25	£701.5	£456.75
3 months §	£533.25	−20.25	£336.75	£642.5	£420.75
Nickel	£2,854	—	‡	£3,225.4	£2,320.69
Free Market c.i.f. lb.	245/270c	−2.5	$1.77/90	340c	165c
Platinum per oz	£155.5	—	£124.5	£171.0	£152
Free Market per oz.	£174.0	+3.65	£138.25	£216.65	£156.65
Quicksilver (76lbs.)	$275/95	−20	$125/30	$355	$160
Silver per oz	416.75p	+9.45	282.7p	426.3p	269.4p
3 months per oz	428.05p	+8.85	289.5p	437.9p	303.7p
Tin cash	£6,707.5	+197.5	£6,765	£7,957.5	£6,320
3 months	£6,697.5	+145	£6,722.5	£7,317.5	£6,365
Tungsten Ind	$142.22	−0.9	$134.24	$145.56	$127.94
Wolfram (22.04 lb)	$141/147	+4.5	$137/41	$147.5	$120.5
Zinc cash	£293	−12.75	£319	£408.5	£289
3 months	£303	−13.75	£326.75	£423.5	£299.75
Producers	$780	—	$625	$845	$720
GRAINS					
Barley					
Home Futures	£90.90	−0.20	£89.45	£96.65	£85.8
Maize					
French No. 3 Yellow (Amer).	£107.75	−0.25	£99.5	£115	£105.5
WHEAT					
No. 1 Red Spring	‡	—	£90.5	£99.0	£92.0
Am. Hard Winter	£100.0t	—	‡	£100.5p	£83.5
Eng. Milling (new crop)	‡	—	£94.5	£107.5	£43.5
SPICES					
Cloves (g)	$3,850x	—	$3,900	$3,975	$3,850
Pepper, white	$2,750x	−75	$2,650	$2,850	$2,600
" black	$1,950x	−50	$1,550	$1,850	$1,660
OILS					
Coconut (Philippines)	$1,030x	−15	$670	$1,175	$925
Groundnut 5%	‡	—	£548	‡	‡
Linseed, Crude	£400	+5	£526	£441	£386
Palm Malayan	$650y	—	£576	$720	$610
SEEDS					
Copra (Philippines)	$685	−10	$465	$745	$620
Soyabeans (U.S.)	$312.50t	+5.15	$262	$350.45r	$263.25
OTHER COMMODITIES					
Cocoa Shipment	£1,556	—	£1,835	£2,041	£1,45.52
F'ts 2nd psn.	£1,476	+59.5	£1,808.25	£1,990.5	£1,330.5
Coffee Futures Nov.	£1,802	+66.0	£1,411.5	£2,089	£1,298.5
Cotton Index	77.45c	+0.55	74.1c	78.65c.	72.5c
Des. Coconut	£710	−10	£540	£740	£700
Jute LJ ABW C grade	£248	+5	£491	£526	$475
Rubber kilo	57.50p	−0.75	57.25p	67.750p	55p
Sago Pearl	£195w	—	£178	£195	£178
Sisal No. 3 L	$860	—	$580	$850/75	$515
Sugar (Raw)	£102.0	+2.0	£91	£109	£92.5
Tapioca No. 1	£190w	+2	£168	£201	£167
Tea (quality) kilo	138p	—	128p	158p	123p
" (plain) kilo	63p	—	60p	82p	60p
Wooltops 64s Warp	267p	+1	278p kilo	291p kilo	262p kilo

* Nominal. ‡ Unquoted. (g) Madagascar. (w) Sept./Oct. (s) July/Aug. (t) Sept. (y) Oct. (z) Aug./Sept.

MARKET REPORTS

BASE METALS

COPPER—Quietly firm on the London Metal Exchange. Forward metal traded between £890 and £900 throughout the day before closing the late kerb at £895.5 with the market sustained by the continuing tight supply situation, forecasts of another decline in warehouse stocks and weaker sterling. Turnover 12,950 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	898-9	+2	901-.5	+3
3 months	892.5-3	+1	897-8	+5
Settlem't	899	+2	—	......
Cathodes				
Cash	860-2	−1	867.9	+.5
3 months	875-7	+1.5	881-2	+4
Settlem't	862	−1	—	......
U.S. Smt.	—	......	*84-.87	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £899, 98, three months £893, 92, 91, 92, 93. Cathodes, three months £877. Kerb: Wirebars, three months £892, 92.5. Afternoon: Wirebars, three months £898, 98, 99, 98.5, 97, 97.5. Kerb: Wirebars, three months £897, 96.5, 98.

TIN—Gained ground following a sharp rise at Penang and forecasts of a decrease in stocks. Forward metal eased to £6,670 in the morning, reflecting hedge selling, but picked up in the afternoon to close the late kerb at £6,690 owing to bear covering and covering against overnight American physical demand. Turnover 1,165 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	6665-70	+27.5	6700-15	+77.5
3 months	6665-80	+50	6695-710	+67.5
Settlem't	6670	+25	—	......
Standard				
Cash	6665-70	+40	6700-15	+77.5
3 months	6665-70	+50	6695-700	+70
Settlem't	6670	+40	—	......
Straits. E.	‡1900	+22	—	......
NewYork	—		—	......

Morning: Standard, cash £6,670, 65, three months £6,690, 95, 6,700, 6,695, 90, 80, 70, 65. Afternoon: Standard, three months £6,690, 6,700, 710, 705, 6,700. Kerb: Standard, three months £6,700, 6,695, 90.

LEAD—Quietly steady. After being marked up to £539 at the outset forward metal eased back to close the late kerb at £531. Stocks are expected to show a modest fall over the week. Turnover 5,050 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	537-8	+4	538-40	+2.5
3 months	531-.5	+2.75	532.5-4	+3.25
S'ment	538	+4	—	......
U.S. Spot	—	......	*58-62	......

Morning: Cash £537, 35, 36, 37, three months £531, 31.5, 31. Kerb: Three months £531. Afternoon: Three months £533, 34. Kerb: Three months £534, 33, 32.

ZINC—Declined throughout the day with forward metal finally £302.5. Trading remained at minimal levels. Warehouse stocks are expected to show a sizeable fall over the week. Turnover 2,850 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	290-1.5	−5.75	292.5-3.5	+2
3 months	301-2	−6	302-3.5	+.5
S'ment	291.5	−5.5	—	......
Prim w'st	—	......	*39.5	......

Morning: Three months £302, 1, 2, 3, 2, 1, 1.5. Kerb: Three months £302, 1. Afternoon: Three months £302, 03. Kerb: Three months £302, 300.

ALUMINIUM—Firmer following the weakness of sterling and on expectations of a fall in warehouse stocks. Forward metal moved between £700 and £704 prior to closing the late kerb at the former price. Turnover 2,825 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	712-4	+10	713-4	+8.5
3 months	702.5-3	+6.75	703.5-4	+6.25

Morning: Three months £702, 3, 4, 3. Kerb: Three months £702, 1, 700. Afternoon: Three months £702, 3, 3.5, 4, 3.5. Kerb: Three months £702, 700.

NICKEL—Higher mainly owing to the downturn in sterling. Forward metal rose gradually to close the late kerb at £2,630. Turnover 180 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —
Spot	2515-25	+20	2546-55	+2.75
3 months	2605-10	+27.5	2620-5	+22.5

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

Morning: Three months £2,600, 05. Afternoon: Three months £2,615, 20, 25, 20, 10, 605, 600, 610, 20.

SILVER

Silver was fixed 10.95p an ounce higher for spot delivery in the London bullion market yesterday, at 416.75p. U.S. cent equivalents of the fixing levels were, spot 924.7c up 18.2c, three-month 944.1c, up 17.9c; six-month 964.2c, up 19.2c; and 12-month 997.9c, up 19.4c. The metal opened at 414½-415½p (917-920c) and closed at 414½-415½p (920-922c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	416.75p	+10.9	415.75p	+7.30
3 months	428.05p	+11.0	427.25p	+7.55
6 months	438.45p	+11.2	—	......
12months	459.05p	+12.4	—	......

LME—Turnover 202 (179) lots of 10,000 ozs. Morning: Three months 427.5, 28. Kerbs: Three months 427.5, 27.5, 27.3, 27.4, 27.3. Afternoon: Three months 428, 8.1, 8.5, 8.8, 27. Kerbs: Three months 427.

COCOA

Cocoa futures advanced limit up due to a weaker sterling and stop-loss buying from Commission Houses for prices to close with gains of £50, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
Sept.	1415-1416	+52.5	1420-1379
Dec.	1475-1476	+51.0	1484-34
March	1515-1517	+48.5	1526-1480
May	1542-1545	+47.0	1551-05
July	1565-1572	+46.5	1578-45
Sep.	1590-1602	+46.0	—
Dec.	1627-1640	+58.5	—

Sales: 2,991 (3,247) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound): Daily price Aug. 16: 141.78 (143.12). Indicator price for Aug. 17 15-day average 140.98 (140.95). 22-day average 142.29 (142.58).

COFFEE

London coffee futures opened £10 higher and during a quiet morning session the market consolidated in a narrow range maintaining a steady tone. Dealer buying and short covering ahead of the weekend kept prices buoyant through the afternoon but profit-taking towards the close restricted any sharp advance and value finished £23.5-£43.0 up on the day, reported Drexel Burnham Lambert.

COFFEE	Yesterdays Close £ per tonne	+ or —	Business Done
September	1763-64	+24.0	1770-48
November	1801-03	+23.5	1850-1784
January	1796-99	+27.0	1800-1779
March	1758-60	+27.5	1741-18
May	1733-35	+28.5	1734-21
July	1725-28	+33.0	1728
Sept.	1720-30	+45.0	1728-25

Sales, 4,634 (2,926) lots of 5 tonnes.

ICS indicator prices for August 16 (cents per pound). Other Mild Arabicas 195.67 (195.50). Robustas ICA 1976 180.00 (179.25). ICA 1968 180.25 (178.50). Colombian Mild Arabicas 203.00 (208.00). Unwashed Arabicas 196.00 (194.00). Comp. daily ICA 1968 191.86 (191.75).

GRAINS

The market opened 20p higher in thin volume, and remained steady in the morning session with good buying interest in the nearby barley options. Wheat eased on aggressive selling in the afternoon to close 25p to 60p lower. Barley options remained about steady to close unchanged to 5p lower on the day, reported Acli.

WHEAT Mnth	Yesterd'ys close	+ or —	BARLEY Yesterdys close	+ or —
Sept.	91.35	−0.35	86.75	−0.05
Nov.	96.10	−0.35	90.90	......
Jan.	99.60	−0.25	96.30	......
Mar.	102.95	−0.30	98.80	−0.05
May	106.20	−0.35	102.00	−0.05

Business done—Wheat: Sept. 91.35-91.35, Nov. 95.80-95.20, Jan. 100.10-99.60, March 103.40-102.95, May 106.70-106.25. Sales 123 lots of 100 tonnes. Barley: Sept. 86.95-86.75, Nov. 91.05-90.90, Jan. 95.50-95.30, March 98.80-98.80, May 102.10-102.05. Sales 139 lots of 100 tonnes.

IMPORTED—Wheat: CWRS No 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent Aug 96.75, Sept 97.25, Oct. 98.75 transhipment East Coast. U.S. Hard Winter 13½ per cent Sept. 100.00 transhipment East Coast EEC unquoted. Maize: U.S./French Aug. 107.75, Sept. 109.25 transhipment East Coast S. Afr. White unquoted. S. Afr. Yellow Sept./Oct. 82.50 nominal. Barley: English Feed fob Aug. 89.50, Oct./Dec. 92.50 East Coast. Sorghum: U.S./Argentine unquoted. Oats: Scandinavian Feed unquoted.

HGCA—Location ex-farm spot prices. Feed barley: Eastern 82.00, E. Midlands 83.00, N. East 85.60.

The UK Monetary Coefficient for the week beginning Monday, August 20 is expected to decrease to 1.031.

RUBBER

The London physical market opened easier with little interest at lower levels, closing on a quiet note. Lewis and Peat reported a Malaysian godown price of 279 (281) cents a kilo (buyer, September).

No. 1 R.S.S.	Yesterd'ys Close	Previous Close	Business Done
Sept.	58.10-58.55	58.10-58.90	58.40-58.00
Oct.	59.05-59.70	59.35-58.90	58.40-59.35
Oct-Dec	59.70-60.20	60.00-60.50	60.50-60.00
Jan-Mar	65.10-63.25	63.80-63.85	63.20-62.70
Apr-Jne	65.50-65.50	65.60-65.70	65.55-65.00
Jly-Sept	67.85-67.90	68.10-68.25	68.00-67.70
Oct-Dec	70.50-70.50	70.60-70.80	70.55-70.10
Jan-Mar	72.80-73.00	73.10-73.15	—
Apr-Jne	75.50-75.60	75.55-75.60	75.55-75.00

Sales 215 (271) at 15 tonnes. 28 (1) at 5 tonnes.

Physical closing prices (buyer) were: Spot 57.50p (same); Sept. 63.00p (same); Oct. 63.25p (same).

SOYABEAN MEAL

The London market opened around £2 higher, but immediately came under long liquidation pressure, reported T G Roddick. With quiet cash markets discontinued through the rest of the day to close around £1 higher.

	Yest'rd'y Close £ per tonne	+ or —	Business Done
August	108.50-11.4	+1.95	—
October	114.20-14.5	+0.75	115.50-50
December	118.90-20.1	+1.05	121.00-19.50
February	121.80-22.1	+0.90	122.70-22.30
April	125.50-24.5	+1.25	—
June	125.50-26.0	+0.75	—
August	124.00-28.8	+1.0	—

Sales: 79 (53) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £102.0 (£101.0) a tonne cif for Aug.-Sept.-Oct. shipments. White sugar daily price was £113.0 (£111.0).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
Oct.	108.00-09.20	108.65-08.70	109.55-08.75
Dec.	114.00-14.10	113.40-13.50	114.50-13.75
March	121.10-21.15	120.30-20.35	121.60-20.45
May	124.30-24.40	123.55-23.60	124.75-23.80
Aug.	126.80-28.90	128.05-28.10	129.25-29.00
Oct.	133.10-33.20	132.65-32.60	133.50-32.50

Fluctuations were contained within a very narrow range of prices although the steady undertone was maintained, reported C. Czarnikow.

Sales, 1,860 (1,148) lots of 5 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £297.55 (same) a tonne for home trade and £171.50 (£170.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for August 16: Daily price 8.77 (8.81); 15-day average 8.55 (8.52).

WHITE SUGAR—Close (in order buyer, seller, business, sales). Nov. 113.10, 114.00, 113.50, 10; Feb. 120.00, 122.00, nil, nil; April 124.00, 126.50, nil, nil; July 128.50, 130.40, 130.50-130.20, 20; Sept. 132.00, 135.00, nil, nil; Nov. 135.00, 140.00, nil, nil; Feb. 138.00, 145.00, nil, nil. Sales 30.

AMERICAN MARKETS

NEW YORK, August 17.

THE LIVESTOCK sector scored sharp gains on improved demand which firmed cash markets. Grains were modestly lower as traders waited for further evaluation of the potential low temperature crop damage this past week. Precious metals were lower on the increase in the U.S. discount rate and general uncertainties over future price direction. Copper prices were mixed on profit-taking. Cocoa and coffee were sharply higher on good Commission House buying and a lack of producer sales. Sugar prices were mixed on light trade, Heinold reported.

*Gold—Aug. 298.20 (301.20), Sept. 299.00 (302.20), Oct. 301.70, Dec. 307.30, Feb. 312.70, April 318.00, June 323.20, Aug. 328.30, Oct. 333.40, Dec. 336.50, Feb. 343.60, April 348.50, June 354.80.

Cocoa—Sept. 130.30 (129.15), Dec. 135.40 (134.30), March 139.15, May 141.85, July 143.85, Sept. 146.25, Dec. 327.0.

Cotton—Oct. 64.40-64.50 (64.25), Dec. 65.40-65.55 (64.94), March 66.30-67.00, May 68.20, July 69.20-69.30, Oct. 69.10-68.35, Dec. 68.20-68.25, Jan. nil. Sales: 7,550.

Orange Juice—Sept. 100.25 (100.45), Nov. 104.40 (104.65), Jan. 104.00, March 104.70, May 105.10, July 105.50, Sept. 106.00, Nov. 106.30, Jan. 106.40. Sales: 325.

Potatoes (round whites)—Nov. 67.4 (66.3), March 88.5 (88.6), April 107.5, May 129.1.

§Silver—Aug. 918.5 (918.0), Sept. 920.0-924.0 (922.5), Oct. 930.9, Dec. 945.0-947.0, Jan. 953.0, March 967.7, May 980.7, July 993.7, Sept. 1006.8, Dec. 1025.7, Jan. 1032.1, March 1045.0, May 1057.9. Handy and Harman bullion spot 919.50 (909.10).

Sugar—Sept. 8.85 (8.90), Oct. 9.21 (9.13), Jan. 9.72, March 10.45, May 10.72, July 11.02, Sept. 11.38, Oct. 11.53. Sales: 4,150.

Tin—683.00-700.00 asked (683.00-700.00).

CHICAGO, August 17.

Lard—Chicago loose 24.25 (same). New York prime steam unavailable.

Live Cattle—Aug. 66.90 (66.40-66.90), Oct. 64.60-64.75 (63.60-64.67), Dec. 66.60-66.35, Jan. 67.50-67.80, Feb. 67.8[illegible]-67.85, April 69.75-69.50, June 71.10-70.20, Aug. 69.75, Oct. 69.20, Dec. nil. Sales: 38,048.

Live Hogs—Aug. 39.20-39.25 (38.55-39.22), Oct. 35.80-35.65 (35.00-35.72), Dec. 36.35-37.05, Feb. 38.75-38.60, April 37.50, June 41.80, July 42.17, Aug. 40.55, Oct. 39.77. Sales: 5,915.

‡‡Maize—Sept. 282½-282 (283½), Dec. 282½-283 (282½), March 293½-293, May 299-299½, July 302, Sept. 300.

Pork Bellies—Aug. 32.45 (30.52-32.45), Feb. 42.40-42.50 (42.15-42.45), March 42.85-43.00, May 44.05-44.15, July 45.35-45.10, Aug. 44.10. Sales: 7,400.

Silver—Aug. 913.0 (922.0), Sept. 916.0 (925.2), Oct. 925.0-924.5, Dec. 943.0-940.5, Feb. 955.5-956.0, April 970.0, June 983.0, Aug. 996.0, Oct. 1009.0, Dec. 1022.0, Feb. 1035.5, April 1049.0, June 1062.5, Aug. 1076.0, Oct. 1089.5, Dec. 1103.0, Feb. 1117.0, April 1131.0, June 1145.0, Aug. 1159.0.

‡Soyabeans—Aug. 719½-719 (727), Sept. 718½-719½ (724), Nov. 718-716, Jan. 731-730½, March 744-744½, May 757, July 7[illegible], Aug. 759.

Soyabean Meal—Aug. 190.50-191.[illegible] (190.60), Sept. 192.00-192.20 (191.90), Oct. 193.80, Dec. 196.80-198.50, Jan. 198.30-198.00, March 202.50, May 203.00-203.10, July 204.00-2[illegible], Aug. 205.50-206.00, Sept. 205.00-206.00.

Soyabean Oil — Aug. 29.25-29.40 (29.47), Sept. 27.85-27.50 (28.10), Oct. 26.95-26.30, Dec. 26.20-26.25, Jan. 26.25, March 26.50-26.25, May 26.25-26.70, July 26.30, Aug. 26.15-26.20, Sept. 26.00-26.10.

‡Wheat—Sept. 419-428 (432), Dec. 452-452½ (451½), March 450-452½, May 458-459, July 433, Sept. 436.

WINNIPEG, August 17. §Barley—Oct. 103.20-104.00 (104.20), Dec. 101.20-102.0 (102.20), March 100.80, May 100.80, July 100.90.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ° Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. § $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen.

INDICES

FINANCIAL TIMES

Aug. 16	Aug. 15	M'nth ago	Year ago
286.02	283.80	285.10	246.04

(Base: July 1, 1952 = 100)

MOODY'S

Aug. 16	Aug. 15	M'nth ago	Year ago
1069.3	1072.1	1078.4	929.5

(December 31, 1931 = 100)

DOW JONES

Dow Jones	Aug 16	Aug. 15	Month ago	Year ago
Spot	399.17	397.25	408.26	366.63
F'tur's	416.01	407.66	420.39	355.81

(Average 1924-25-26 = 100)

REUTERS

Aug. 17	Aug. 16	M'nth ago	Year ago
1569.8	1565.3	1560.7	1440.3

(Base September 18, 1931 = 100)

MEAT/VEGETABLES

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported produce: Oranges—S. African: Valencias 4.00-4.70 Navels 4.00-4.70; Proteas 3.80-4.30; Brazilian: 3.00-3.50; Californian: 5.00-5.50. Lemons—Italian: 100/150s 5.50-6.00; Spania: Trays 20 40, 45 2.80-3.00; Argentine: 98/100 113 7.50. S. African: 8.00; Jaffa: Trays 2.70-3.10. Grapefruit—S. African: 27/72 3.80-6.05. Apples—French: Golden Delicious, new crop, 20 lb 72 84s 2.30-2.40; Spanish: Golden Delicious, new crop, boxes 40 lb 150/175 4.00-4.40; Italian: Rome Beauty per pound 0.06; S. African: Granny Smith 3.00-4.50, Yorks 4.00; New Zealand: Red Dougherty 5.00, Granny Smith 7.60, Sturmers 4.50, Tasmanian: Sturmer Pippin 4.00-4.50, Victorian: Granny Smith 6.80. Pears—Spanish: Williams 0.10, French: Guyots 25 lb 2.50, Williams 3.20, Italian: Williams per pound 0.14-0.15. Plums—Italian: Per pound Stanley 0.10, Belles 0.06, Giant Prunes 0.06-0.09; French: Gones 0.10; Hungarian: Switzens 6 kilos 1.80. Grapes—Cyprus: Sultana 0.15-0.16, Thompson 0.22, Alphonse 0.28, Rozaki 0.27, Italian: Cardinal 10 lb 2.00, Regina 10 lb 1.50-1.80; Spanish: Alphonse per pound 0.20. Nectarines—Italian: C B/As 3.20-4.50; French: 28s 3.00. Bananas—Jamaican: Per 28 lb 3.60-4.00. Avocados—S. African: 3.60-4.20. Melons—Spanish: Yellow honeydew 10 kilos 5/14s 2.70-2.50. Onions—Spanish: 4.00-5.20, Dutch: 3.40-3.60. Tomatoes—Jersey: Per tray 1.20-1.40, Guernsey: 1.20-1.50. Cabbages—Dutch: White, net 4.50. Potatoes—Cyprus: 2.00. Capsicums—Dutch: 2.00. Peaches—Italian: 1½ trays Cs 1.70-2.00, Bs 2.10-2.40, A's 2.40-2.60, AA 2.80.

English produce: Potatoes—New crop per bag 2.20-2.40. Lettuce—Per 12 round 0.80-1.00, Cos 1.20. Mushrooms—Per pound 0.60-0.80. Apples—Per lb Bramley 0.05-0.10, Grenadiers 0.04-0.06, George Cave 0.08-0.10, Discovery 0.12-0.14. Plums—Per pound Czars, Rivers 0.05-0.07. Tomatoes—Per tray 1.20-1.40. Cucumbers—Trays 0.12s 0.80-1.20. Cauliflowers—12s Lincoln 1.40-1.60. Celery—Boxes 12/30s 1.00, large cartons 20/24s 2.20-2.40. Peas—Per pound 0.14-0.15. Broad beans—Per pound 0.05-0.06. Onions—Per bag 3.50-3.20. Carrots—Per bag 0.60-1.00. Beetroot—Per bag 1.20. Marrows—Per 15s 0.20.

BRITISH FUNDS (534)

PUBLIC BOARDS (7)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (1)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS BONDS

COUPONS PAYABLE IN LONDON

CORPORATION STOCKS—FOREIGN

BANKS (117)

BREWERIES (130)

CORPORATIONS (32)

FREE OF STAMP DUTY

Surrey 95½ (10/8)
Taunton 97⅛
Walsall 93 ¼ (13/8)
Warwickshire 98¼ (13/8)
West Herts Main Drainage 08 (13/8)
Westminster 100¼ (13/8)

SHORT-DATED BONDS
FREE OF STAMP DUTY

10¼pcBds. (13/9/79) 99 31-64th ½ (10/8)
10½pcBds. (17/9/79) 99⅞ (13/8)
10pcBds. (25/9/79) 99⅞ ½ (14/8)
10¾pcBds. (3/10/79) 99⅞
10¼pcBds. (10/10/79) 99⅞ (14/8)
11pcBds. (24/10/79) 99⅝ (14/8)

Wolverhampton Dudley (25p) 280m
Young Cos. A (50p) 188 (15/8). Non-vtg. (50p) 126

COMMERCIAL (2,017)

A—B

AAH (25p) 115 (15/8)
AB Electronic Prods. (25p) 196 200
AO International 9pc Unsec.Ln. 69 (15/8)
AGB Research (10p) 156⊕ 4⊕
AI Industrial Products (25p) 38 (10/8)

C—D

Stock Exchange dealings

Thursday, August 16	16,457
Wednesday, August 15	14,962
Tuesday, August 14	15,701
Monday, August 13	16,125
Friday, August 10	18,650
Thursday, August 9	18,222

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest markings recorded during the previous four business days; these are *distinguished by the dates shown in parentheses.*

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted, shares are £1 fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. The figures shown above, on the other hand, are the total number of bargains transacted in all securities up to 3.30 pm. No indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ *Bargains at Special Prices.* Δ *Bargains done* with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

Comet Radiovision Services (5p) 160
Comfort Hotels Int. (10p) 25 (14/8)
CompAir (25p) 61
Concentric (10p) 40½
Construction Hldgs. (20p) 130 29 (14/8)
Cook (William) Sons (Sheffield) (20p) 10 (13/8)
Cope Allman Internatl. (5p) 75½ 6 (15/8)

E—F

Ferranti (50p) 407
Ferry Pickering (10p) 117 (10/8)
Fertleman (B.) Sons (20p) 18 (14/8)
Fine Art Devpt. (5p) 62⊕ ½⊕
Finlan (J.) (10p) 81 2 (15/8)
Finlay (J.) (25p) 92
Finlay Packaging (5p) 19 (10/8)
First Castle Secs. (10p) 32 3 4
Fisher (A.) Group (5p) 11½ (13/8)
Fisons 248 50. 6pc2ndDb. 69. 6¾pcLn. 47

Finch Lovell (20p) 67⊕ 70. 7¼pcLn. 56½ (13/8)
Fitzwilton (25p) 460
Flexello Castors and Wheels (25p) 58 (10/8)
Flight Refuelling (Hldgs.) (25p) 188
Fodens A (25p) 42 (14/8)
Fogarty (E.) (25p) 347⊕. 10½pcPf. 104½ (13/8)

G—H

Hunt and Moscrop (Mid.) (5p) 18 (14/8)
Hunting Associated Inds. (25p) 233 (10/8)
Huntleigh Gp. (10p) 83 (10/8)
Hyman (I. and J.) (5p) 24 ½

I—J—K

ICL 465m 3⊕ 78 5 3 7. 6prDb. 83-88 66 (13/8). 6¼pcDb. 81-86 71½
IMI (25p) 50⊕ 49⊕ 50 1 50½. 7¼pcLn. 86-91 67¾ (13/8)

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.330	12	6.50	—	—	—	—	F.337.50
AKZ C	F.27.50	—	—	35	4.20	—	—	F.29.80
AKZ C	F.30	33	1.60	25	2.20	11	3.40	"
AKZ C	F.32.50	1	0.60	15	1.10	—	—	"
AKZ C	F.30	—	—	30	1.20	—	—	"
FNC C	$25	2	1⅛	—	—	—	—	$25¾
HO C	F.32.50	8	1.60	1	2.60	—	—	F.33.10
HO C	F.35	—	—	14	1.50	—	—	"
IBM C	$75	6	1¾	—	—	5	4¾	$71⅞
IBM C	$80	1	⅝	—	—	—	—	"
KLM C	F.100	10	8.50	—	—	—	—	F.105.50
KLM C	F.110	40	3	—	—	2	8.30	"
KLM C	F.120	86	1.40	2	3.20	—	—	"
KLM P	F.100	20	1.30	27	3	—	—	"
KLM P	F.110	55	6.50	—	—	6	7.50	"
KLM P	F.120	29	14.80	7	15	—	—	"
NN C	F.100	—	—	5	15.70	—	—	F.114.90
NN C	F.110	—	—	35	6.50	—	—	"
NN C	F.120	—	—	2	3.20	—	—	"
PET C	Fr.4400	—	—	2	890	—	—	Fr.4920
PET C	Fr.5000	10	300	—	—	—	—	"
PHI C	F. 25	85	0.70	34	1.20	—	—	F.24.30
PHI P	F.27.50	—	—	3	3.10	—	—	"
PRD C	$30	26	1⅞	—	—	—	—	$29¾
RD C	F.140	3	10.70	—	—	—	—	F.148.80
RD C	F.145	69	5.60	12	7	—	—	"
RD C	F.150	31	2.80	8	5.20	2	7.80	"
RD C	F.160	78	0.80	64	2.30	—	—	"
RD P	F.140	100	1	—	—	2	3	"
RD P	F.145	743	2.80	—	—	—	—	"
RD P	F.150	10	6.20	—	—	—	—	"
RD P	F.160	16	15	10	14.50	—	—	"
UNI C	F.120	—	—	1	10.50	—	—	F.129.00
UNI C	F.125	4	4.50	—	—	—	—	"
UNI C	F.130	5	2	12	3.30	—	—	"
UNI C	F.135	—	—	3	1	—	—	"
		Aug.		Nov.		Feb.		
BA C	$40	1	7⅛	—	—	—	—	$47⅛
BA C	$46⅝	29	½	—	—	—	—	"
BAZ C	$40	—	—	26	8	5	9	$47⅞
BAZ C	$45	—	—	25	4⅜	5	5⅝	"
BAZ C	$50	—	—	10	2	—	—	"
OXY C	$20	5	3⅜	—	—	—	—	$23¼
SLY C	$70	2	12	2	12¾	—	—	$81⅝
SLY C	$80	2	2⅛	3	4¾	—	—	"
		Sept.		Dec.		Mar.		
GM C	$50	2	9⅛	1	9⅝	—	1⅞	$59⅛

TOTAL VOLUME IN CONTRACTS 1988

C=Call P=Put

L—M

N—O—P

Nelson David (5p) 14½ (13/8)
New Equipment (10p) 20 (15/8)
Newarthill 172½ (15/8)
Newbold Burton (25p) 59½ 60 (13/8)

Q—R—S

Schlumberger (US$ 1) £39¾ 42½ (14/8)
Scottish English European Textiles (20p) 76 (15/8)

T—U

W—Y

Watson Philip (10p) 48 (10/8)
Watts Blake Bearne (25p) 170 (13/8)
Wearra Gp. (10p) 33 (10/8)
Weber Hldgs. (50p) 188 (14/8)

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AIR-INDIA

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LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest %	Interest payable	Minimum sum £	Life of bond Year
Barnsley (0226 203232)............	12	½-year	250	3-5
Barnsley (0226 203232)............	12½	½-year	250	6-10
Grtr. Manchester (061 247 3760)	12	½-year	1,000	2-3
Knowsley (051 548 6555)	12½	½-year	1,000	5-7
Redbridge (01-478 3020)	12	½-year	200	4-5
Redbridge (01-478 3020)	12½	½-year	200	6-7

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Aid to Thrift	9.25	9.80	—	—
Alliance	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Anglia Hastings and Thanet	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bradford and Bingley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Bridgwater	8.50	8.75	10.25	10.75 5 yrs., 10.25 4 yrs., 9.85 2½ yrs.
Bristol and West	8.50	8.75	10.00	—
Bristol Economic	8.50	8.75	10.00	9.00 3 months' notice
Britannia	8.50	8.75	10.25	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Burnley	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Cardiff	8.50	9.25	10.25	—
Catholic	8.20	•8.90	9.80	— • 9.10 over £5,000
Chelsea	8.50	8.75	10.00	9.50 6 months' notice; £500 minimum
Cheltenham and Gloucester...	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Citizens Regency	8.50	9.10	10.30	10.60 4 yrs., 10.10 3 yrs., 9.85 2 yrs.
City of London (The)	8.80	9.10	10.10	10.15 3-yr. increment share withdrwbl.
Coventry Economic	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yr., 9.25 3 mth. not.
Coventry Provident	8.50	8.75	10.75	10.25 4 yrs., 10.00 3 yrs., 9.50 2 yrs.
Derbyshire	8.50	8.75	10.25	9.35 3 months' notice
Ealing and Acton	8.50	9.25	—	9.90 2 years, £2,000 minimum
Gateway	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Greenwich	8.45	8.85	10.00	10.85 5 yrs., 10.35 4 yrs., 9.85 3 yrs.
Guardian	8.50	9.00	—	10.00 3 mths., 10.35 6 mth., £1,000 min.
Halifax	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Heart of England	8.50	8.75	10.00	10.75 5 yrs., 9.25 3 months' notice
Hearts of Oak and Enfield...	7.75	9.00	10.50	10.25 4 yrs., 10.00 3 yrs., 9.75 2 yrs.
Hendon	8.75	9.25	—	9.75 6 months, minimum £2,000
Huddersfield and Bradford...	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Lambeth	8.50	9.00	10.50	9.80 3 months' notice £250-£10,000
Leamington Spa	8.60	8.85	11.93	10.80 5 yrs., 10.55 4 yrs., 0.15 3 yrs.
Leeds Permanent	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Leicester	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Liverpool	7.75	8.00	9.45	9.60 4/5 yrs., 8.60 2 yrs., min. £1,000
London Goldhawk	8.50	†9.25	†10.50	†10.00 2 years, †9.75 1 year
Melton Mowbray	8.60	8.85	10.00	10.35 4 years, 9.60 2 years
Mornington	9.00	9.50	—	—
National Counties	8.75	9.05	10.05	10.15 6 mths., 9.50 3 mths., min. £1,000
Nationwide	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Newcastle Permanent	8.50	8.75	10.05	10.75 5 yrs., 10.05 3 yrs., 9.75 2 yrs.
New Cross	9.25	9.50	—	—
Northern Rock	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Norwich	8.50	8.75	10.25	9.75 3 yrs., 9.50 2 yrs., minimum £500
Paddington	8.25	9.25	10.85	10.00 6 months, 9.75 3 months
Peckham Mutual	8.00	8.75	—	—
Portman	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 3 mths.
Principality	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Property Owners	8.50	9.25	10.50	9.75 3 months' notice
Provincial	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Skipton	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.
Sussex Mutual	8.50	9.10	10.75	10.05 3 yrs., 9.75 2 yrs., 9.50 1 yr.
Town and Country	8.50	8.75	10.00	10.25 4 yrs., 9.75 3 yrs., 9.25 2 yrs.
Walthamstow	8.50	8.85	9.95	10.85 5 yrs., 9.85 6 months min. £500
Wessex	8.75	9.25	—	10.25 6 mths. not. WDL min. 3 yrs.
Woolwich	8.50	8.75	10.00	10.75 5 yrs., 10.25 4 yrs., 9.75 3 yrs.

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

RULE 163 (1) (e)

Bargains marked for approved companies engaged solely in mineral exploration.

AUGUST 10

Cluff Oil 525
Sichens (UK) 262½ 60 60
Viking Oil 275 65

(By permission of the Stock Exchange Council)

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

The Treasury bill rate rose by 0.0215 per cent at yesterday's tender to 13.2975 per cent, and the minimum accepted bid fell to £96.68 from £96.69 the previous week. Bids at that level were met as to about 33 per cent, and above in full. The £300m bills on offer attracted bids of £1,027.72m. and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar number of maturities.

Day-to-day credit was in short supply, and the authorities gave a small amount of assistance by buying a small number of Treasury bills from the discount houses, and a small amount of local authority bills. Banks brought forward surplus balances, and Government disbursements exceeded revenue payments to the Exchequer. These were slightly outweighed by a net take-up of Treasury bills, a rise in the note circulation, and resale of bills previously bought by the authorities.

EXCHANGES AND BULLION

Sterling lost ground, but the U.S. dollar improved in thin foreign exchange trading yesterday. The pound moved within a range of $2.2060 to $2.2260. It opened at $2.2100-2.2110, and traded between $2.2075 and $2.2200 in the morning. In the afternoon sterling fell to $2.2060 in very thin trading as the dollar rose on the report that President Carter was to decontrol heavy oil prices. The pound closed at $2.2175-2.2185, a fall of 40 points on the day, and its trade-weighted index, as calculated by the Bank of England, declined to 70.7 from 71.0, after standing at 70.6 at noon and in the morning.

The dollar's index, on Bank of England figures, rose to 84.7 from 84.6. The U.S. currency rose against most major currencies, finishing at DM 1.8325 against the D-mark, compared with DM 1.8290 on Thursday, and at SwFr 1.6590 in terms of the Swiss franc, compared with SwFr 1.6555.

Gold rose $1¼ to close at $299¼-300¼, after an active day.

OTHER MARKETS

August 17	£	$		£ Note Rates
Argentina Peso..	3091-3111	1395-1400	Austria........	29-30
Australia Dollar	1.9640-1.9680	0.8865-0.8870	Belgium......	67-68
Brazil Cruzeiro..	58.86-59.86	26.55-27.00	Denmark......	11.65-11.80
Finland Markka	8.50-8.52	3.8320-3.8410	France......	9.40-9.55
Greek Drachma	81.205-82.153	36.60-37.00	Germany......	4.10-4.20
Hong Kong Dollar	11.3950-11.4200	5.1470-5.1500	Italy......	1,790-1,840
Iran Rial	157.08-166.06	70.74	Japan......	480-490
Kuwait Dinar (KD)	0.606-0.616	0.2761-0.2763	Netherlands...	4.40-4.50
Luxembourg Frc	65.00-65.10	29.31-29.35	Norway......	11.10-11.25
Malaysia Dollar	4.7700-4.8885	2.1575-2.1585	Portugal......	105-110
New Zealand Dlr	2.1860-2.1920	0.9855-0.9880	Spain......	145-148
Saudi Arab. Riyal.	7.38-7.48	3.3555-3.3575	Switzerland...	3.65-3.75
Singapore Dollar.	4.7655-4.7850	2.1565-2.1575	United States .	2.21-2.22½
Sth. African Rand	1.8475-1.8575	0.8330-0.8376	Yugoslavia ...	43-45

Rate given for Argentina is free rate.

THE POUND SPOT AND FORWARD

Aug. 17	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.2060-2.2260	2.2175-2.2185	0.45-0.35c pm	2.16	1.40-1.30 pm	2.43
Canada	2.5810-2.6060	2.5935-2.5945	0.52-0.42c pm	2.17	1.32-1.22 pm	1.96
Nethlnd	4.43½-4.48½	4.46-4.47	2½-1½c pm	5.04	6⅛-4⅞ pm	4.82
Belgium	64.80-65.35	65.00-65.10	15-5c pm	1.84	35-25 pm	1.84
Denmark	11.65½-11.74½	11.70-11.71	¾-2¼ore dis	−1.28	3-6 dis	−1.37
Ireland	1.0770-1.0820	1.0783-1.0803	25-35p dis	−3.33	92-102 dis	−3.59
W. Ger	4.04-4.08½	4.06½-4.07½	3-2pf pm	7.38	7⅞-6⅞ pm	7.25
Portugal	108.50-108.75	109.00-109.30	50-110c dis	−8.80	120-220 dis	−6.23
Spain	145.75-146.70	146.43-146.56	195-245c dis	−18.02	550-650dis	−16.38
Italy	1,808-1,821	1,814-1,815	2½-½lire pm	1.16	½-2½ dis	−0.33
Norway	11.09-11.20	11.15-11.16	5-3ore pm	4.30	11¼-9¼ pm	0.45
France	9.40½-9.48	9.44½-9.45½	2½-1½c pm	2.54	5¼-4¼ pm	2.01
Sweden	9.33-9.41	9.37¼-9.38¼	2½-½ore pm	1.60	5-3 pm	1.71
Japan	478-486	481½-482½	3.35-3.05y pm	7.97	9.50-9.20 pm	7.76
Austria	28.55-28.80	29.63-29.68	23-13gro pm	7.28	38-48 pm	7.16
Switz	3.66-3.69½	3.67½-3.68½	4¼-3¼c pm	12.23	11½-10½ pm	12.23

Belgian rate is for convertible francs. Financial franc 67.40-67.50c pm. Six-month forward dollar 2.62-2.52c pm. 12-month 4.65-4.55c pm.

LONDON MONEY RATES

Aug. 17 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight.......	—	13¾-14¼	—	—	—	13¾	13-13⅝	—	—	—
2 days notice..	—	—	14-14⅛	—	—	—	—	—	—	—
7 days or 7 days notice..	—	13¾-14⅛	14⅛-14¼	—	14½	14¼	13½	—	—	—
One month...	14⅛-14¼	14⅛-14¼	14-14¼	13-14¼	14½	14⅝	13½	13¼-13⅜	14	14½
Two months.	14⅛-14	14⅛-14¼	—	14½-14¼	14½	—	13¼	13	14	14½
Three months.	14⅛-13⅞	14-14¼	14⅛-14⅛	14⅛-13⅞	14⅜	14⅝	13⅝	13⅛-13⅛	13⅞	14⅜
Six months....	13⅝-13⅛	13⅛-13⅜	13⅝-13⅝	13-12½	13⅛	—	—	—	12½	14
Nine months..	12¾-12⅝	12⅞-12⅝	—	13-12¾	13¼	—	—	—	—	—
One year....	12⅝-12⅛	12⅛-12⅛	12¾-12⅛	12½-12¼	13	—	—	—	—	—
Two years	—	—	12½-13	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days fixed. * Long-term local authority mortgage rates nominally three years 12¼-13 per cent; four years 12¼-13 per cent; five years 12⅝-13 per cent. ◆ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent; four-month trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 13⅛ per cent; two month 13⅞ per cent; three-month 13⅞ per cent. Approximate rates for one-month bank bills 13⅞ per cent, two-month 13⅞ per cent; and three-month 13⅞ per cent; one-month trade bills 14½ per cent; two-month 14⅛ per cent; and three-month 14¼ per cent.

Finance House Base Rates (published by the Finance Houses Association) 14 per cent from August 1, 1979. Clearing Bank Deposit Rates for small sums at seven days notice 11½-12 per cent. Clearing Bank Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.2975 per cent.

GOLD

	Aug. 17	Aug. 16
Gold Bullion (fine ounce)		
Close......	$299¼-300¼ (£135.0-135.4)	$297¾-298¼ (£134-134.35)
Opening.....	$298-298½ (£134.7-135)	$298-298½ (£135.55-35.85)
Morning fixing...	$298.70 (£134.853)	$296.50 (£132.484)
Afternoon fixing.	$300.55 (£135.200)	$297.85 (£133.356)
Gold Coins, domestically		
Krugerrand	$308½-310½ (£139-140)	$306¼-308¼ (£138-139)
New Sovereigns	$79½-81½ (£35¾-36¾)	$76½-78½ (£34½-35½)
Old Sovereigns	$114-116 (£49-50)	$102½-104½ (£46-47)
Gold Coins, internationally		
Krugerrand.	$308½-310½ (£139-140)	$306¼-308¼ (£138-139)
New Sovereigns	$79½-81½ (£35¾-36¾)	$76½-78½ (£34½-35½)
Old Sovereigns	$114-116 (£49-50)	$102½-104½ (£46-47)
$20 Eagles..	$410-415	$410-415
$10 Eagles..	$232-237	$232-237
$5 Eagles ..	$175-180	$175-180

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 11.15-11.25 per cent; three months 11.25-11.35 per cent; six months 11.25-11.35 per cent; one year —

Aug. 17	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term..	13¾-14	11-11¼	10½-11½	8⅝-8⅞	[illegible]	6⅛-6⅜	10½-11	11-12	—	2½-7½
7 days' notice.	13¾-14⅛	11⅛-11⅜	10½-11½	8⅝-8⅞	[illegible]	6⅛-6⅜	10½-11	11½-12½	11-11⅛	5-6
Month. ..	14⅛-14⅜	11⅛-12⅛	11⅛-11⅜	8¾-9	1⅛-1½	6⅛-6⅜	11⅛-11⅜	12½-13½	11⅛-11⅜	6-6⅜
three months....	14⅛-14⅜	11⅛-11⅜	11⅛-11⅜	9¼-9⅜	1⅜-1½	6⅛-6⅜	12-12⅛	13½-14½	11⅛-11⅜	6⅛-6⅜
six months	14-14⅛	11½-11¾	11⅛-11⅜	9½-9¾	2⅛-2½	6⅛-6⅜	12½-12¾	14½-15½	11⅛-11½	6⅛-6⅜
one year.	13⅞-13¾	11⅛-11⅜	11⅛-11½	9½-9⅞	2⅛-2⅜	6⅞-7	13⅛-13⅜	14½-15½	10⅞-11⅛	6-6⅛

Long-term Eurodollar two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10⅝-10⅞ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars, two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU August 17	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc .	39.4582	40.4722	+2.57	+1.39	±1.53
Danish Krone	7.08592	7.28389	+2.79	+1.61	±1.635
German D-Mark	2.51064	2.52616	+0.62	−0.56	±1.1325
French Franc	5.79831	5.87905	+1.39	+0.21	±1.35
Dutch Guilder	2.72077	2.77656	+2.05	+0.87	±1.5075
Irish Punt ...	0.662638	0.671528	+1.34	+0.16	±1.665
Italian Lira	1148.15	1129.94	−1.59	−1.59	±4.0725

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

CURRENCY MOVEMENTS

Aug. 17	Bank of England Index	Morgan Guaranty changes %
Sterling	70.7	−34.5
U.S. dollar	84.7	−8.6
Canadian dollar	80.6	−17.2
Austrian schilling...	148.2	+19.8
Belgian franc	114.1	+15.6
Danish kroner	113.8	+2.5
Deutsche mark ...	151.6	+42.2
Swiss franc	197.1	+81.1
Guilder	123.5	+18.6
French franc	98.9	−7.2
Lira	55.4	−48.6
Yen	131.6	+30.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

August 17	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling....	14	0.581812	0.61870
U.S. $	10	1.29942	1.38065
Canadian $...	11½	1.51993	1.61771
Austria Sch ..	3¾	17.3901	18.4800
Belgian F ..	9	38.1135	40.5049
Danish K	9	6.85834	7.28708
D Mark..	5	2.37924	2.52797
Guilder	6	2.61508	2.77856
French Fr. .	9½	5.54365	5.88917
Lira	10½	1064.87	1131.44
Yen ...	6¼	282.234	299.836
Nrwgn. K .	7	6.53348	6.94219
Spanish Pes..	8	85.7851	91.2058
Swedish Kr...	7	5.49005	5.83256
Swiss Fr....	1	2.15444	2.28912

EXCHANGE CROSS RATES

August 17	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.218	4.068	482.0	9.450	3.680	4.465	1815.	2.594	65.05
U.S. Dollar	0.451	1.	1.834	217.3	4.261	1.659	2.013	818.3	1.170	29.33
Deutschemark	0.246	0.545	1.	118.5	2.323	0.905	1.098	446.1	0.638	15.99
Japanese Yen 1,000	2.075	4.602	8.439	1000.	19.61	7.635	9.263	3765.	5.382	135.0
French Franc 10	1.058	2.347	4.304	510.1	10.	3.894	4.725	1920.	2.745	68.84
Swiss Franc	0.272	0.603	1.105	131.0	2.568	1.	1.213	493.1	0.705	17.68
Dutch Guilder	0.224	0.497	0.911	108.0	2.116	0.824	1.	406.4	0.581	14.57
Italian Lira 1,000	0.551	1.222	2.242	265.6	5.208	2.028	2.461	1000.	1.430	35.85
Canadian Dollar	0.386	0.855	1.568	185.8	3.643	1.419	1.721	699.5	1.	25.01
Belgian Franc 100	1.537	3.410	6.253	741.0	14.53	5.657	6.864	2789.	3.988	100

U.K. CONVERTIBLE STOCKS 17/8/79

Statistics provided by data STREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◇	Cheap(+) Dear(−)◇ Current
Bank of Ireland 10pc Cv. 91-96	1.20	148.00	47.6	77-80	6.9	5.0	−12.5	−16 to 3	0.0	9.6	5.7	+18.1
British Land 12pc Cv. 2002	7.71	255.00	333.3	80-97	4.8	2.9	0.0	− 3 to 10	0.0	92.6	36.3	+36.3
Hanson Trust 6½pc Cv. 88-93	3.38	69.00	57.1	76-80	9.8	11.3	2.3	−21 to 16	3.1	3.2	0.2	− 2.2
Slough Estates 10pc Cv. 87-90	5.50	215.00	187.5	78-85	4.7		− 3.6	− 4 to 5	34.7	40.4	2.5	+ 6.2
Slough Estates 8pc Cv. 91-94	24.88	113.00	78.0	-91	7.2	6.7	21.7	20 to 31	27.4	50.7	25.1	+ 3.3
Thorn Electrical 5pc Cv. 90-94	4.19	127.00	29.1	75-80	3.9	2.2	− 1.2	− 5 to −1	5.3	4.6	− 0.6	+ 0.7
Tozer, Kemsley 8pc Cv. 1981	0.78	89.50	153.9	74-79	9.2	15.0	− 4.6	− 5 to 8	0.0	0.0	0.0	+ 4.6
Ultramar 7pc net R.Cv.Pfd.	14.97	1.59	0.5	76-82	6.3	2.6	− 4.1	− 6 to 7	20.9	21.3	0.2	+ 4.3
Wilkinson Match 10pc Cv. 84-98	11.10	81.00	40.0	76-83	12.5	12.9	39.7	21 to 40	25.0	31.7	11.5	−28.1

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Inflation worries revive in markets lacking investment support and equity index loses Thursday's rise of 5.5

Account Dealing Dates

Option

*First Dealings	Declarations	Last Dealings	Account Day
July 30	Aug. 9	Aug. 10	Aug. 20
Aug. 13	Aug. 23	Aug. 24	Sep. 3
Aug. 28	Sep. 6	Sep. 7	Sep. 17

* "New time" dealings may take place from 9.30 am two business days earlier.

Investment buyers retired to the sidelines yesterday ahead of the weekend and the July trade figures, which are due on Monday. *Stock markets, therefore,* finished the first leg of the current trading Account in easier vein. Leading shares were slightly cheaper at the outset and the losses were extended when Government stocks also opened nor market sentiment was helped at lower levels.

Neither investment incentive later by news of the extent of last month's jump in the retail prices index. Although broadly in line with many estimates, it still led to a revival of concern about the way the rate of inflation is increasing.

Many leading industrials gave back Thursday's gains, which were the result of a noticeable expansion in investment inquiry. *The FT 30-share index closed at* 474.2, at which level it had lost the previous day's rise of 5.5 but retained a net gain of 4.2 on the week.

With the dollar initially responding to higher U.S. interest rates—more prime rates rose to 12 per cent yesterday—and sterling a shade easier, Gilt-edged securities experienced a change in mood. The shorts, which had started Thursday in exciting fashion, slipped to show closing losses of ⅛ and the new £30-paid tap stock **Exchequer 11¾** per cent 1984 fell to a discount of ⅛, after having traded at a premium of ⅜ on Thursday.

Longer-dated funds met with light selling which was none too well received and quotations fell ¼ in front of Monday's £600m call on **Treasury 11¾** per cent 2003/07. Interest revolved around this stock, the price of which was ½ down at 15¾ and *many medium/longs eased a frac*tion more in trade after the official close.

Conditions were quieter in the investment currency market. Rates moved higher initially to 33¾ per cent before softening late and closing at 32¼, down ¼ on the overnight premium. Yesterday's conversion factor was 0.8844 (0.8805).

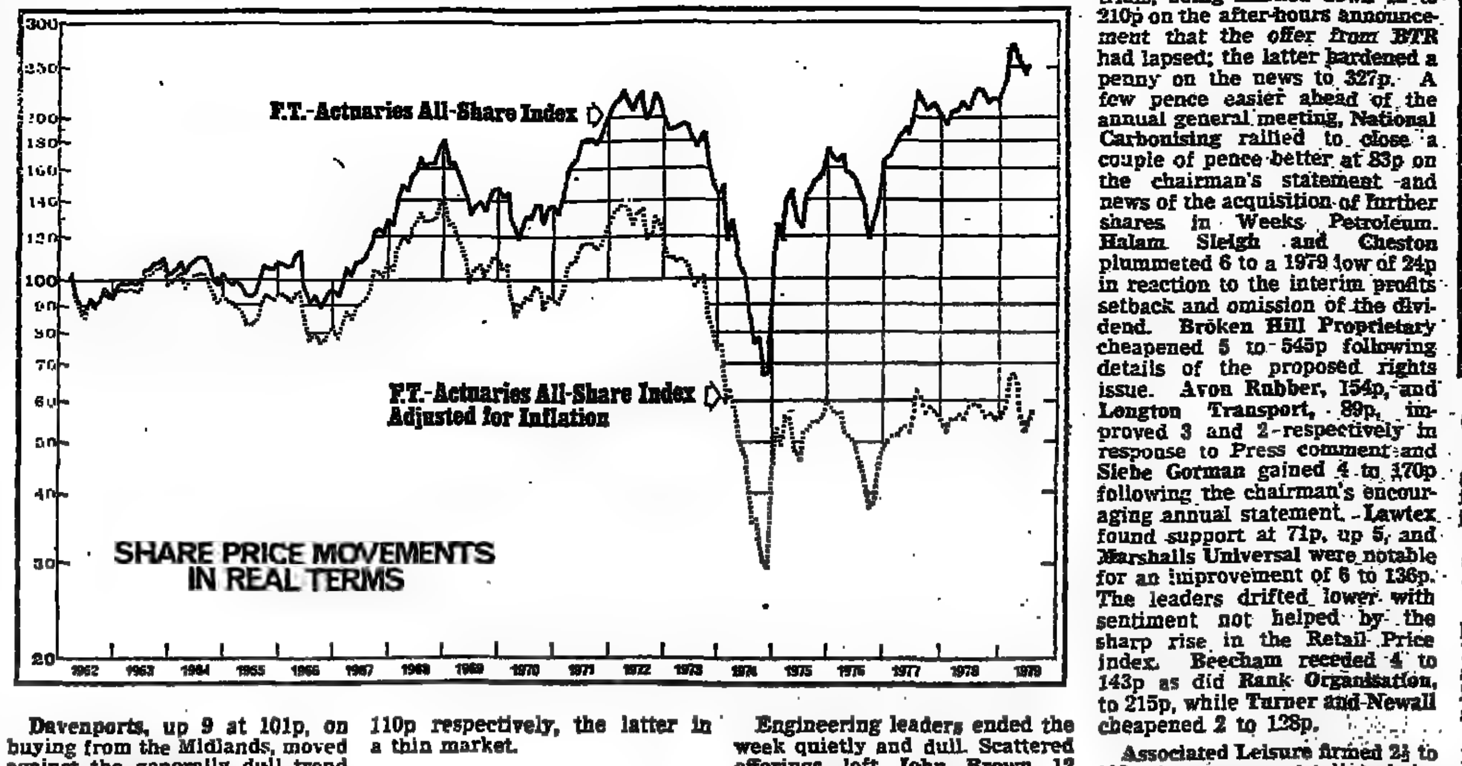
Interest in Traded Options remained at a low ebb. Only 251 contracts were completed, compared with the previous day's 361, and more than a sixth of the total was done in the **Marks and Spencer** January 120 series.

Stenhouse suspended

The main point of interest in the Insurance sector yesterday was the surprise 10.15 am suspension in dealings of **Stenhouse** at a couple of pence below the overnight level of 89p pending an announcement: this came several hours later and stated that Continental Corporation of New York intends to acquire up to 20 per cent of Stenhouse's equity in the open market after dealings resume next Monday.

Elsewhere, **Royals**, at 348p, lost just over half of the previous day's gain of 13 following profit-taking in the wake of the favourable interim results, while **General Accident** closed 4 lower at 226p and **Commercial Union** 3 cheaper at 140p.

Easier conditions returned to the major clearing banks and closing falls ranged to 8 as in **Midland** at 370p.



Davenports, up 9 at 101p, on buying from the Midlands, moved against the generally dull trend in the Brewery sector. Leading issues eased a shade. **Belhaven** came on offer following first quarter figures and the announcement that Mr. R. Ling has issued *a writ against the company alleging* wrongful dismissal.

Leading Buildings surrendered some of the previous day's gains. **Blue Circle** and **BPB** eased 3 apiece to 281p and 167p respectively, while **Costain** shed 5 to 164p and the Deferred cheapened 2 to 116p. In recently firm Timbers, speculative *favourite* **Parker** encountered profit-taking and slipped 3 to 187p and **Montague L. Meyer** gave up a penny to 97p, but buyers were still around for **Magnet and Southerns**, which added 5 more to 213p, and for **May and Hassell** also 5 up at 88p, following the chairman's confident remarks at the annual *general meeting. A combination* of scattered interest and stock shortage prompted a gain of 3 to 44p in **Ruberoid**, while buying in a limited market lifted **M. J. Gleeson** 4 to 40p. **Heywood Williams** added 2 to 93p after a Press mention.

ICI, interim results next Thursday, eased 3 to 342p as business diminished and **Fisons** shed 4 to 249p, after 247p, on occasional small selling. Elsewhere in Chemicals, **Brent** and **Leigh Interests** found support and added 5 apiece to 250p and 110p respectively, the latter in a thin market.

House of Fraser firm

With the exception of **House of Fraser**, which hardened 2 to 147p ahead of next Thursday's interim *results, leading Stores drifted* lower in thin trading. **Marks and Spencer** softened 2 to 119p as did recent speculative favourite **Burton A**, to 272p. Elsewhere, further profit-taking in the absence of takeover developments left **Peters** down 4 more at 75p, while **Wallis** came on offer at 60p, down 5. **Audiotronic**, at 13p, were suspended at the company's request pending the outcome of discussions with an unnamed party which could lead to the disposal of a major subsidiary.

Shoes were notable for renewed strength in **George Oliver A**, which encountered good support and closed 5 to the good at 95p.

Louis Newmark hardened 3 to 208p and **Pifco 'A'** 1 to 98p following their respective trading statements but, still reflecting the warning on profit margins. **Dale Electronic** eased 2 more to 129p for a fall of 12 on the week. Among other Electrical issues, **Electrocomponents** continued firmly at 443p, up 5, while **Electronic Machine** were also favoured at 25p; up 1½. On the other hand, **Racal**, a good market of late, reacted 5 to 465p and **Unitech** lost 4 to 198p.

Engineering leaders ended the week quietly and dull. Scattered offerings left **John Brown** 12 lower at 423p, while *losses of 4* were marked against **Hawker**, 182p, and **Tubes**, 328p. Elsewhere, **Charles Clifford** encountered profit-taking at 123p, *down 5, after the previous day's* rise of 10 in response to the interim results. Lower half-yearly profits left **Alcan Aluminium** 5 cheaper at 120p, while revived selling prompted a loss of 3½ to 55p in **Northern Engineering**. Other dull spots *included* **Startrite**, 5 lower at 147p, and **Babcock and Wilcox**, 3 *cheaper at 154p. By way of contrast,* buying in a thin market lifted **Vosper** 12 to 202p. **Newman Tonks** edged up 2 further to 75p and **Chemring** firmed 3 more to 85p. A fresh early improvement in **Greens Economiser**, which closed 2 firmer at 125p, after 135p, gave rise to bid talk.

Up 1½ on Thursday *on speculation aroused by Dalgety's pro*posed offer equal to around 50p per share, most transactions in **Spillers** were against holders and the shares finished a penny cheaper at 50p: the announcement that the company is to increase the prices of its flour products by an average 8 per cent made no apparent impact.

Bestobell dip late

Bestobell became a late weak spot among miscellaneous industrials, being marked down 12 to 210p on the after-hours announcement that the *offer from BTR* had lapsed; the latter hardened a penny on the news to 327p. A few pence easier ahead of the annual general meeting, **National Carbonising** rallied to close a couple of pence better at 83p on the chairman's statement and news of the acquisition of further shares in **Weeks Petroleum**. **Halam Sleigh and Cheston** plummeted 6 to a 1979 low of 24p in reaction to the interim profits setback and omission of the dividend. **Broken Hill Proprietary** cheapened 5 to 545p following details of the proposed rights issue. **Avon Rubber**, 154p, and **Longton Transport**, 89p, improved 3 and 2 respectively in response to Press comment and **Siebe Gorman** gained 4 to 170p following the chairman's encouraging annual statement. **Lawtex** found support at 71p, up 5, and **Marshalls Universal** were notable for an improvement of 6 to 136p. The leaders drifted lower with sentiment not helped by the sharp rise in the Retail Price index. **Beecham** receded 4 to 143p as did **Rank Organisation**, to 215p, while **Turner and Newall** cheapened 2 to 128p.

Associated Leisure firmed 2½ to 109p in response to the chairman's encouraging review, but **Coral Leisure** shed 2 to 110p, after 109p, following the disappointing interim profits.

Properties drifted lower following a marked contraction in trading volume.

Shell ease

Comment on the half-yearly figures prompted a slightly easier trend in **Shell** which drifted off on occasional offerings to close 6 cheaper at 326p. **British Petroleum** also gave ground at 1,185p, down 15. Outside the leaders, **Siebens (UK)** advanced to 290p on speculative support before reacting to close only 2 better on balance at 282p. **Weeks Petroleum** rose 15 more to 250p; it was announced yesterday that National Carbonising has purchased 1½m shares in the company and has agreed to purchase 1m more subject to shareholders' approval.

Golds firmer

South African Golds ended a generally quiet week with a flourish following the $1.75 rise in the bullion price to $299.875 an ounce, although the latter was still $2.50 easier over the five-day period.

Activity in the share market, however, remained at minimal levels. Prices were marked up at the outset and continued to improve reflecting modest local and overseas buying interest.

Towards the close and in the late inter-office trading, they tended to ease a fraction as American selling followed President Carter's statement on oil prices.

The Gold Mines index still managed a gain of 5.6 at 172.7—its best level since the end of June—while the ex-premium index rose a like amount to 152.

South African Financials gained ground owing to Continental and Johannesburg buying. Union Corporation were well supported and closed 10 up at 387p, while Anglo American and De Beers both added around 6 to 368p and 384p respectively.

In a generally weak London Financials section, Selection Trust rallied at the close to end only 2 cheaper at 525p, or 32 up on the week, following renewed investment buying. Rio Tinto-Zinc slipped 5 to 298p but remained 13 up on the week.

Hampton Areas were prominent in an otherwise quietly firm Australian market as news that M and G had acquired around 8.5 per cent of the former's equity pushed the shares better to a 1979 high of 220p.

FINANCIAL TIMES STOCK INDICES

—	Aug. 17	Aug. 16	Aug. 15	Aug. 14	Aug. 13	Aug. 10	A year ago
Government Secs.	73.64	74.05	74.08	73.69	73.53	73.24	76.73
Fixed Interest	74.69	74.92	74.72	74.45	74.62	74.48	72.81
Industrial	474.2	479.7	474.2	475.1	475.8	470.0	512.9
Gold Mines	172.7	167.1	166.5	162.9	168.2	169.8	186.1
Gold Mines(Ex-$ pm)	152.7	147.1	147.0	145.8	150.2	153.0	124.5
Ord. Div. Yield	6.87	6.79	6.84	6.85	6.82	6.89	5.22
Earnings, Yld. % (full)	17.17	16.98	17.25	17.23	17.81	17.36	15.59
P/E Ratio (net) (*)	7.33	7.42	7.29	7.30	7.31	7.28	8.83
Total bargains	15,012	16,457	14,962	15,701	16,125	18,560	[illegible]
Equity turnover £m	—	83.81	66.35	59.15	74.15	72.90	100.81
Equity bargains total	—	11,946	10,272	10,761	11,918	11,479	20,738

10 am 477.7. 11 am 478.2. Noon 475.8. 1 pm 475.0.
2 pm 474.8. 3 pm 474.3.
Latest Index 01-246 8026.
* Nil = 7.05.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex-$ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1979 High	1979 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	75.81 (4/5)	64.64 (8/2)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	77.76 (5/5)	66.03 (15/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	558.6 (4/5)	446.1 (12/2)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	208.4 (5/6)	129.9 (17/4)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex $pm)	169.3 (8/6)	85.2 (2/11)	337.1 (3/4/74)	54.3 (26/6/76)

S.E. ACTIVITY

	Aug. 17	Aug. 16
—Daily		
Gilt Edged	125.2	118.0
Industrials	114.4	126.2
Speculative	15.5	25.0
Totals	26.5	81.6
5-d'y Av'r'ge		
Gilt Edged	131.4	136.8
Industrials	124.2	126.1
Speculative	23.9	25.3
Totals	83.6	86.7

NEW HIGHS AND LOWS FOR 1979

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1979.

NEW HIGHS (29)

BUILDINGS (1)
Gleeson (M. J.)
STORES (1)
Cantors A
ELECTRICALS (3)
Dowding & Mills
ENGINEERING (2)
Green's Economiser
INDUSTRIALS (7)
British Cinema; Clarke (Clement); Denbyware; Johnson Cleaners
LEISURE (2)
Assoc. Leisure
PAPER (1)
Eucalyptus
PROPERTY (3)
Centrovincial; Evans of Leeds; Fairview Est.
TRUSTS (7)
West of England
OILS (2)
MINES (4)
Hampton Areas

NEW LOWS (12)

BRITISH FUNDS (1)
AMERICANS (3)
CHEMICALS (1)
ELECTRICALS (2)
INDUSTRIALS (1)
PAPER (1)
TEXTILES (2)

LONDON TRADED OPTIONS

Option	Ex'rc'se price	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	Equity close
BP	1150	70	2	—	—	—	—	1161p
Com. Union	[illegible]	4	1	8	—	14	1	142p
Com. Union	160	1	—	2½	10	—	—	"
Cons. Gold	240	6	—	13	—	19	2	218p
Courtaulds	100	2	—	4	15	—	—	89p
GEC	390	24	5	45	25	62	—	392p
Grand Met.	138	13½	20	21	—	—	—	146p
Grand Met.	158	5	—	11½	1	—	—	"
Grand Met.	178	1½	1	5	—	—	—	"
ICI	300	48	5	55	—	55	—	342p
ICI	360	6	—	15	5	—	—	"
Land Secs.	300	22	6	36	—	51	—	309p
Land Secs.	330	6	15	22	—	38	—	"
Marks & Sp.	120	7	—	12	46	16	—	119p
Shell	325	16	10	28	7	—	—	325p
Shell	350	7	8	16	4	—	—	"
Totals			71		113		3	
		August		**November**		**February**		
BOC Intl.	70	5	—	7½	—	9½	2	73p
BOC Intl.	80	½	—	3½	4	6	—	"
Boots	200	1	—	10	—	16	21	192p
Imperial Gp.	100	½	—	3	7	7½	—	96p
RTZ	260	33	—	45	2	57	—	294p
RTZ	280	15	25	34	—	45	—	"
RTZ	360	½	3	2	—	—	—	"
Totals			28		13		25	

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1979 high	1979 low
Shell Transport	25p	13	326	− 6	402	278
BP	£1	6	1185	−15	1295	882
Grand Met.	50p	6	145	− 6	178½	110½
ICI	£1	6	342	− 3	415	314
Midland Bank	£1	6	370	− 8	455	340
Royal Dutch	Fl 20	6	£33⅜	—	£47⅞	£31¼
Trusthouse Forte	25p	6	145	− 4	198	127
Unilever	25p	6	508	− 2	680	482
Barclays Bank	£1	5	440	− 5	514	360
Commerc. Union	25p	5	140	− 3	185	134
EMI	50p	5	97½	− 1½	144	92
GEC	25p	5	392	− 2	456	311
Lloyds Bank	£1	5	296	− 4	380	272
Royal Insurance	25p	5	348	− 7	443	320
Spillers	25p	5	50	− 1	51	30½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163 (1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1979 high	1979 low
Shell Transport	25p	82	326	−32	402	278
GEC	25p	47	393	+ 2	456	311
ICI	£1	43	342	+ 5	415	314
BAT Inds.	25p	37	285	− 1	362	255
Courtaulds	25p	34	90	+ 5	132	82
Racal Electronics	25p	34	465	+18	495	337
Barclays Bank	£1	33	440	− 5	514	360
BP	£1	33	1185	− 5	1295	882
RTZ	25p	32	293	+13	362	226
Grand Met.	50p	29	145	− 5	178½	110½
Unilever	25p	29	508	—	680	482
NatWest Bank	£1	28	340	+ 2	406	278
EMI	50p	27	97½	+ 2½	144	92
GKN	£1	27	272	+ 7	308	226
Spillers	25p	27	50	+11½	51	30½

BASE LENDING RATES

A.B.N. Bank	14 %	■ Hill Samuel	§14 %
Allied Irish Bank Ltd.	14 %	C. Hoare & Co.	†14 %
Amro Bank	14 %	Julian S. Hodge	15 %
American Express Bk.	14 %	Hongkong & Shanghai	14 %
Henry Ansbacher	14 %	Industrial Bk. of Scot.	14½ %
A P Bank Ltd.	14 %	Keyser Ullmann	14 %
Associates Cap. Corp.	14 %	Knowsley & Co. Ltd.	15½ %
Banco de Bilbao	14 %	*Lloyds Bank*	14 %
Bank of Credit & Cmce.	14 %	London Mercantile	14 %
Bank of Cyprus	14 %	Edward Manson & Co.	15 %
Bank of N.S.W.	14 %	Midland Bank	14 %
Banque Belge Ltd.	14 %	■ Samuel Montagu	14 %
Banque du Rhone et de la Tamise S.A.	14½ %	■ Morgan Grenfell	14 %
Barclays Bank	14 %	National Westminster	14 %
Bremar Holdings Ltd.	15 %	Norwich General Trust	14 %
Brit. Bank of Mid East	14 %	P. S. Refson & Co.	14 %
■ Brown Shipley	14 %	Rossminster	14 %
Canada Perm't Trust	14 %	Ryl. Bk. Canada (Ldn.)	14 %
Cayzer Ltd.	14 %	Schlesinger Limited	14 %
Cedar Holdings	14 %	E. S. Schwab	15 %
■ Charterhouse Japhet	14 %	Security Trust Co. Ltd.	15 %
Choulartons	14 %	Shenley Trust	16 %
C. E. Coates	14 %	Standard Chartered	14 %
Consolidated Credits	14 %	Trade Dev. Bank	14 %
Co-operative Bank	*14 %	Trustee Savings Bank	14 %
Corinthian Secs.	14 %	Twentieth Century Bk.	15 %
Credit Lyonnais	14 %	United Bank of Kuwait	14 %
The Cyprus Popular Bk.	14 %	Whiteaway Laidlaw	14½ %
Duncan Lawrie	14 %	*Williams & Glyn's*	14 %
Eagil Trust	14 %	Yorkshire Bank	14 %
English Transcont.	14 %		
First Nat. Fin. Corp.	15½ %		
First Nat. Secs. Ltd.	15½ %		
■ Antony Gibbs	14 %		
Greyhound Guaranty	14 %		
Grindlays Bank	‡14 %		
■ Guinness Mahon	14 %		
■ Hambros Bank	14 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 11½%, 1-month deposits 11¾%.
† 7-day deposits on sums of £10,000 and under 11½%, up to £25,000 12% and over £25,000 12¼%.
‡ Call deposits over £1,000 11½%.
§ *Demand deposits 11½%.*

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 6	Aug. 17	Nov. 1	Nov. 12
Aug. 20	Aug. 31	Nov. 15	Nov. 26
Sep. 3	Sep. 14	Nov. 29	Dec. 17

For rate indications see end of Share Information Service

Money was given for the call of **Spillers, Greens Economiser, Savoy 'A', Celtic Haven, Town and City, House of Fraser, Howard and Wyndham 'A', Cableform, Pacific Copper, Stylo Shoe** and **Lonrho**. No puts were reported, but **MFI** and **Charterhall** were dealt in for the double.

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	—	79	8	181	174	100
Corpns. Dom. & Foreign Bonds	1	16	48	82	29	204
Industrials	238	275	900	1,387	801	4,377
Financial and Prop.	95	84	328	875	228	1,331
Oils	7	7	25	66	23	107
Plantations	8	2	18	35	12	83
Mines	76	11	59	307	136	287
Others	24	69	59	310	166	279
Totals	449	543	1,445	3,038	1,569	6,778

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+or−	Div. Amount	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	24/8	75	60	Arrow Chemicals	72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	[illegible]	102	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
80½	F.P.	27/7	105½	95½	Fairline Boats	102	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	5/9	190	185	Mercantile House	190	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	10/8	37	32	[illegible]	37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	—	37	30	St. George Assets 10p	37	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
160	F.P.	8/8	198	194	Standard Tel. & Cables	194	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price £	+or−
¶91	F.P.	21/9	87	86½	Aurora 8¼ Conv. Cum. Pref.	87	[illegible]
[illegible]	F.P.	—	103	101½	Bradford Prop. 10¼% Cum. Pref.	102	[illegible]
100	F.P.	20/7	101¼	92	English & Overseas Inv. Conv.	93	[illegible]
¶96½	£10	29/11	10¼	8¼	Essex Water 8% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	F.P.	—	73½	73	Lonrho 9¼ 2nd Mort. Deb. 87/92	73½	[illegible]
[illegible]	F.P.	—	90½	89½	Do. 10¼% 2nd Mort. Deb. 85-90	90	[illegible]
[illegible]	F.P.	—	98½	98	Do. 12¼% 2nd Mort. Deb. 80-85	98	[illegible]
97	F.P.	10/8	100p	100p	Stonehill 10¼% Cum. Prf.	100p	[illegible]
100p	F.P.	—	99¼	97¼	Scot. Agricultural Sec. 13¾ Deb. 97-99	98¼	[illegible]
¶98	F.P.	24/8	10½	10¼	Sund. & S. Shields Water 8% 1986	10½	[illegible]
¶98	£10	18/10	13½	10¼	Wrexham Water 8% 1984	13½	[illegible]

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1979 High	1979 Low	Stock	Closing Price p	+or−
14	Nil	23/8	21/9	5pm	Abwood Machine Tools	5pm	[illegible]
25	Nil	24/8	14/9	46pm	Bank & Commercial	46pm	[illegible]
110	Nil	—	—	40pm	[illegible]	40pm	[illegible]
A$2	Nil	—	—	49pm	Bank of New South Wales	49pm	[illegible]
30	Nil	—	—	37pm	Control Securities	45pm	[illegible]
[illegible]	F.P.	15/8	17/8	61	Goodkind (W.)	58	[illegible]
60	F.P.	17/8	17/8	76	Goldberg (A.)	76	[illegible]
50	F.P.	—	—	121	Hanson Trust	120	[illegible]
47	F.P.	30/7	28/8	58	Hargreaves	52	[illegible]
115	F.P.	20/8	21/9	159	Hay's Wharf	159	[illegible]
88	F.P.	27/7	24/8	101	Highland Dist.	101	[illegible]
155	F.P.	10/7	10/8	198	Holt Lloyd Intl.	198	[illegible]
10	F.P.	5/7	7/9	118	Intl. Timber	118	[illegible]
130	Nil	—	—	11pm	Lennons	11pm	[illegible]
110	Nil	—	—	17pm	Letraset	17pm	[illegible]
5	Nil	29/8	15/9	3pm	London Inv. Trust	3pm	[illegible]
5cts	Nil	13/8	12/9	1pm	Overstone	1pm	[illegible]
157	Nil	20/7	24/8	75	Williams & Glyn's	75	[illegible]
10	Nil	—	—	2pm	Yorkgreen Inv.	1½pm	[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 Income shares and 10 Capital shares at 125p per unit.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Aug. 17, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., Aug. 16 Index No.	Wed., Aug. 15 Index No.	Tues., Aug. 14 Index No.	Mon., Aug. 13 Index No.	Year ago (approx.) Index No.	1979 High	1979 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (172)	247.95	−0.5	17.45	5.75	7.37	249.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2 Building Materials (27)	232.65	−0.1	17.94	5.74	7.28	232.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 Contracting, Construction (28)	378.40	+0.4	24.14	5.72	5.18	376.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4 Electricals (15)	623.03	−0.5	13.10	3.73	10.22	626.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Engineering Contractors (12)	362.74	−0.1	19.96	6.45	6.17	363.31	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6 Mechanical Engineering (74)	176.98	−0.7	18.90	6.57	6.74	178.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8 Metals and Metal Forming (16)	164.11	−0.8	19.07	9.12	6.52	165.43	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11 CONSUMER GOODS (DURABLE) (52)	236.49	−0.6	15.54	4.94	8.08	238.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12 Lt. Electronics, Radio, TV (16)	332.00	−0.8	12.16	3.60	10.62	334.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13 Household Goods (13)	151.34	−0.3	19.24	7.22	6.38	151.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Motors and Distributors (23)	115.44	−0.5	23.17	7.26	5.24	115.97	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21 CONSUMER GOODS (NON-DURABLE) (171)	242.08	−0.8	16.17	5.86	7.71	244.15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22 Breweries (14)	287.90	−1.3	15.75	5.31	7.57	291.74	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23 Wines and Spirits (6)	316.90	−1.8	17.34	5.67	7.20	322.64	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24 Entertainment, Catering (17)	306.22	−2.5	14.36	6.64	8.10	313.93	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25 Food Manufacturing (19)	207.91	−0.5	18.98	6.39	6.56	208.99	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26 Food Retailing (15)	317.44	−0.8	11.65	4.03	10.24	320.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32 Newspapers, Publishing (12)	419.73	+0.8	22.54	6.93	6.22	416.33	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33 Packaging and Paper (15)	129.28	−0.2	22.74	8.62	5.69	129.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34 Stores (41)	243.04	−0.6	11.65	4.12	11.35	244.58	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35 Textiles (23)	157.61	+0.1	23.19	9.78	5.46	157.39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36 Tobaccos (3)	245.52	−0.8	23.37	9.06	4.86	247.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37 Toys and Games (6)	79.25	—	21.81	8.50	5.82	79.25	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41 OTHER GROUPS (99)	201.94	−0.7	15.61	6.33	7.89	203.39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42 Chemicals (18)	281.74	−0.7	18.01	6.86	6.48	283.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
43 Pharmaceutical Products (7)	226.27	−1.5	12.40	4.84	9.86	229.73	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44 Office Equipment (6)	119.22	−1.0	16.58	7.04	7.57	120.39	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45 Shipping (10)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46 Miscellaneous (58)	245.68	−0.3	15.85	5.96	8.13	246.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49 INDUSTRIAL GROUP (494)	241.23	−0.7	16.31	5.84	7.69	243.00	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51 Oils (6)	630.24	−1.5	12.61	5.63	7.80	639.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59 500 SHARE INDEX	272.95	−0.9	15.69	5.75	7.80	275.30	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61 FINANCIAL GROUP (116)	191.37	−1.3	—	5.56	—	193.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62 Banks (6)	223.77	−1.3	36.95	5.72	3.46	226.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63 Discount Houses (10)	264.96	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64 Hire Purchase (5)	172.44	+1.7	19.24	5.09	6.66	169.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65 Insurance (Life) (10)	154.82	−0.2	—	6.72	—	155.06	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66 Insurance (Composite) (8)	126.02	−1.4	—	7.46	—	127.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67 Insurance Brokers (10)	269.54	+0.4	18.57	6.80	7.70	268.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68 Merchant Banks (14)	99.55	−0.2	—	5.53	—	99.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69 Property (43)	372.90	−0.2	3.54	2.84	44.82	373.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70 Miscellaneous (10)	119.04	+0.2	15.63	7.34	8.20	118.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71 Investment Trusts (110)	215.22	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81 Mining Finance (4)	123.55	−1.5	16.12	6.11	7.60	125.44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91 Overseas Traders (20)	345.20	−0.4	15.25	7.38	8.01	343.77	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99 ALL-SHARE INDEX (750)	250.27	−0.8	—	5.72	—	252.21	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

British Government	Fri., Aug. 17	Day's change %	xd adj. today	xd adj. 1979 to date
1 Under 5 years	105.11	−0.10	—	6.42
2 5-15 years	118.88	−0.39	—	7.06
3 Over 15 years	125.27	−0.52	—	8.63
4 Irredeemables	135.76	−0.68	—	7.24
5 All stocks	115.56	−0.34	—	7.36

FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Fri., Aug. 17	Thurs., Aug. 16	Year ago (approx.)
1 Low Coupons	5 years	9.88	[illegible]	[illegible]
2	15 years	10.43	[illegible]	[illegible]
3	25 years	10.98	[illegible]	[illegible]
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]
10 Irredeemables		[illegible]	[illegible]	[illegible]

	Fri., Aug. 17 Index No.	Yield %	Thur. Aug. 16	Wed. Aug. 15	Tues. Aug. 14	Mon. Aug. 13	Fri. Aug. 10	Thur. Aug. 9	Wed. Aug. 8	Year ago (approx.)	1979 Highs	1979 Lows	Since Compilation Highs	Since Compilation Lows
15 20-yr. Red. Deb. & Loans (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Equity Section or Group	Base Date	Base Value	Equity Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/70	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Wines and Spirits	10/1/70	114.13			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 13p, by post 22p. A fortnightly record of group and subsection indices, dividend yields and earnings figures since 1962, with quarterly highs and lows of the indices, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4, at £4 per copy. CONSTITUENT CHANGE: James (John) Group has been replaced by [illegible] (Miscellaneous Unclassified).

● As from Wednesday, August 15, the band for low-coupon British Government stocks [illegible]

هكذا من الأصل

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Gilt Int. Tst.	107.8	113.5	−0.3	3.14
Abbey Capital	38.0	40.4	−0.2	4.56
Abbey Income	44.4	47.2	−0.2	6.41
Abbey Inv. Tst. Fd.	37.6	40.0	+0.2	5.28
Abbey Gen. Tst.	50.8	54.0	−0.4	4.51
Equitas Prog. Tst.	70.4	74.3	−0.5	4.56

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	97.0	102.1		12.01

Allied Hambro Group (a)(g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	72.3	77.4	−2.3	5.37
Brit. Inds. Fund	71.1	76.1	−0.3	5.34
Grth. & Inc.	41.2	44.1	−0.2	4.99
Elect. & Ind. Dev.	38.6	41.3	−0.2	4.50
Allied Capital	76.9	82.3	−0.3	4.86
Hambro Fund	119.1	127.4	−0.9	5.55
Hambro Acc. Fd.	139.3	149.1	−0.9	4.50
Income Funds				
High Yield Fd.	73.2	78.3		8.74
High Income	71.6	76.6	−0.2	7.05
A. H. Eq. Inc.	41.3	44.2	−0.1	7.35
International Funds				
International	25.8	27.6		2.91
Pacific Fund	36.6	39.2		2.27
Secs. Of America	57.4	61.4		2.05
Specialist Funds				
Smaller Co.'s Fd.	47.8	51.1	+0.2	3.91
2nd Smlr. Co's Fd.	59.0	63.1	+0.1	3.96
Recovery Sits.	114.4	122.4	−0.1	5.37
Met. Min. & C'dty.	46.7	50.0	−0.2	5.20
Overseas Earnings	57.6	61.6	−0.4	4.71
Exempt Funds				
Far East Exempt	45.8	46.8	−0.3	3.00
Smaller Co. Exempt	74.5	78.2	+0.3	4.41
U.S.A. Exempt	101.4	105.5		2.09

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	54.0	58.4		4.50

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-623 6376

Friends' Provdt. Unit Tr. Mgrs.
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	49.6	53.0	−0.1	4.61
Do. Accum.	66.4	71.0	−0.2	4.61

Funds in Court
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Aug. 16	108.4	110.3	+7.5	4.53
Gross Inc. Aug. 16	77.8	80.6	+4.4	9.68
High Yield Aug. 16	85.5	88.6	−0.6	9.59

*Unauth. Restricted to funds under Court control.

G.T. Unit Managers Ltd.
16 Finsbury Circus, EC2M 7DD 01-628 8131

G.T. Cap. Inc.	106.6	113.3	+1.0	4.00
Do. Acc.	132.3	140.7	+1.2	4.00
G.T. Inc. Fd. Un.	174.1	195.2		8.10
G.T. U.S. & Gen.	138.9	147.7	+2.9	2.70
G.T. Japan & Gen.	80.5	85.1	+0.7	2.10
G.T. Pens. Ex. Fd.	209.4	219.9		5.60
G.T. Int'l. Fund	162.9		+1.5	3.10
G.T. Four Yds. Fd.	55.4	58.9		7.90
G.T. Far East & Gen.	43.9	47.2		3.40

G. & A. Trust (a) (g)
5 Rayleigh Road, Brentwood. (0277) 227300

G. & A.	36.5	39.0	−0.1	4.95

Gartmore Fund Managers (a)(g)
2 St. Mary Axe, EC3A 8BP 01-623 6114
Dealing only: 01-623 5766/5806

American Tst.	26.3	28.3	−0.1	0.88
British Tst. (Acc.)	64.9	69.8	+0.1	3.18
Commodity Share	29.7	31.9	+0.1	3.16
Extra Income Tst.	24.4	26.3	+0.1	9.32
Far East Trust	31.1	32.4	−0.1	0.14
High Income Tst.	59.2	63.7	+0.1	9.39
Income Fund	77.3	83.1	+0.4	7.35
Ins. Agencies	12.30	13.28	−0.06	4.18
Intl. Exempt Fd.	94.3	101.8	−0.2	6.21
Intl. Tst. (Acc.)	31.0	33.4	−0.2	0.99

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)
3 Frederick's Pl., Old Jewry, EC2 01-588 4111

Extra Income	29.8	32.4		9.50
Income	42.6	46.3	+0.1	9.00
Accumulation	79.3	86.2		4.40
Growth	42.8	46.5		4.70
Capital	47.5	51.6		3.80
Small Co's	48.1	52.3		4.10
Technology	70.4	75.6		4.30

[illegible]

INSURANCE & PROPERTY BONDS

[illegible]

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[illegible]

NOTES

[illegible]

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Financial

1979 High	1979 Low	Stock	Price £	+ or -	Yield Int.	Yield Red.
107	100	Do. 14pc '79	101	......	14.24	—
108¼	98¼	Do. 14pc '83	104¼	-¼	13.44	12.66
86½	77½	ICFC 5½pc Deb. '80-82	83½xd	......	6.58	11.90
85	71½	Do. 6¼pcDb. '81-84	79½	......	8.04	12.10
99	84½	Do. 10½pc Uns.Ln. '86	93	......	11.46	12.40
99	84½	Do. 11pc Uns.Ln. '88	95	......	11.51	12.10
101½	84	Do. 11¾pc Uns.Ln. '90	96½	......	12.35	12.60
72½	57	Do. 7¼pcADeb. '89-92	67	......	11.12	12.80
69	53½	Do. 7¼pcA Db. '91-94	64xd	......	11.32	12.70
81½	64½	Do.9pc'A' '91-94	75½xd	......	11.92	12.70
78½	62½	Do.8⅞pcLn. '92-97	72½xd	......	12.24	12.70
102	95½	Do. 13⅞pc Uns. Ln. 1992	98½xd	......	12.69	12.70

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 13% (based on US$2.2228 per £)
Conversion factor 0.8844 (0.8805)

CANADIANS

S.E. List Premium 13% (based on 2.6006 per £)

BANKS AND HIRE PURCHASE

1979 High	1979 Low	Stock	Price	+ or -	Div. Net	Cvr	Y'ld Gr's	P/E
£17¾	930	Com'zbk DM 10	994p	-31	Q26.6%	—	6.8	—
£18½	£10¼	C'hgn.Hbk.Kr100	£10¼	......	Q12%	—	11.1	—
41	29	Corinthian 10p	38	......	1.05	5.9	3.9	4.4
£24¾	£15	Cred. France F75	£17	......	Q9.87%	—	3.8	—
16	12	Dawes (G. R.)	13	......	—	—	—	—
£121	£64	Deutsche Bank DM50	£67	+½	Q28.12%	—	5.1	—
90	63	F. C. Finance	63	......	2.2	4.9	5.0	5.8
8¼	5¼	First Nat. 10p	6	......	—	—	—	0.4
4	2	Do. Wrrts. 75-83	2½	......	—	—	—	—
266	178	Gerrard Natnl.	266	......	9.12	—	4.9	—
62	39	Gibbs (A.)	53	+1	2.2	—	5.9	—
270	217	Gillett Bros. £1	223	......	†16.95	—	10.9	—

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Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

FINANCE, LAND—Continued

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

Chestertons

MINES—Continued

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling or in EEC currencies are quoted inclusive of the investment dollar premium.

- △ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ≠ Not comparable.
- ♣ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend, cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. ¶ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	......	Sindall (Wm.)	165	......
Bertam	22	......	IRISH		
Brig'wtr. Est. 50p.	410	+5	Conv. 9% '80/82	£55½d	......

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES
Saturday August 18 1979

SKIPTON BUILDING SOCIETY

MAN OF THE WEEK

Records are there to break

BY MICHAEL THOMPSON-NOEL

EVEN SPORTSWRITERS, that ingenious race of men, occasionally find themselves bankrupt of superlatives. They reach this impoverished frame of mind when confronted by a progression of events for which neither their talent nor their training has readied them—a richness of achievement that defies adequate description, if not belief.

Something like that occurred in Zurich on Wednesday, in the Letzigrund Stadium, when Sebastian Coe of Britain lowered the world record over 1,500 metres to three minutes, 32.1 seconds. The progression was complete: he was breaking his third world track record in 41 days, having already captured the 800 metres and mile records in Oslo last month to become not only the first British athlete, but the first man ever, to hold these records simultaneously.

The sportswriters were immediately in trouble. "Phenomenal," wrote one. "Amazing," cried another, while one of the doyens of the trade opined that young Mr. Coe—22 year old and very fresh of face—was "completing a sheer Odyssey of stupendous running. He was putting himself into the books as the greatest middle-distance runner the world has ever seen."

Sebastian Coe
Has made superlatives redundant

The 1,500 metres in Zurich was the toughest of the runs. There was no pacemaker—more accurately, there was no one in the field who could survive with him. This meant that two laps out he was obliged to race alone, supported only by the crowd and the roaring of his coach and father, Peter Coe.

At the line, having opened up an ever-widening gap, he was clocked at 3 mins 32.03 secs: rounded up, as the rules require, his time was one-tenth of a second faster than Filbert Bayi's record set in 1974.

Sebastian Coe's performances over the past 43 days have underlined a growing controversy in world athletics. Put simply: can the sport's insistence on amateurism survive much longer? There are those who maintain that amateurism in world athletics has already been compromised beyond repair by corruption and under-the-counter payments. According to an estimate this week, the going rate for a mile match between Coe and Britain's other brilliant miler, Steve Ovett, would be $150,000 if athletics were professionalised. In the past few months, athletes such as U.S. marathon man Frank Shorter have publicly demanded the "rate for the job."

Apparently, none of this concerns Sebastian Coe. He has no wish to turn professional. This winter, aided by a grant from the Sports Aid Foundation, he will train in Spain in preparation for the Moscow Olympics. Later on next year he will embark on post-graduate work at Loughborough University, where he already holds a double honours degree.

He has said that his world records are merely "borrowed," that athletics will only occupy his attention for the next five years, after which he will seek a career.

It is this mixture of ascendancy on the track and modesty off it that so attracts. Christopher Brasher, himself an Olympic gold medallist, said recently: "In all my life, in all my meetings with world record holders . . . I have never met a man like this, never been so refreshed by the sanity of a man who can laugh when a radio interviewer tells him that he is now 'An-All-Time-Great,' and I love him for what he has done to destroy the myth and legends of modern sport."

Sebastian Coe has made superlatives redundant.

Israel rejects U.S. plan for Palestine

BY DAFID LENNON IN TEL AVIV

THE ISRAELI Government has told Mr. Robert Strauss, president Jimmy Carter's Middle East envoy, that it rejects Washington's proposal for a new UN Security Council resolution recognising Palestinian rights.

Mr. Strauss, who arrived in Israel yesterday amid rising tension between Washington and Jerusalem, said that he had discussed the possibility of the U.S. producing its own Middle East resolution at the UN. This would, he had hoped, "meet with the approval of our friends in Israel."

He was referring to efforts at the UN to formulate a new Security Council resolution which would give more specific recognition of Palestinian rights than is embodied in Resolution 242. This has been the basis for Middle East peace efforts since 1967.

But, Mr. Strauss said, in the search for Israeli approval for a U.S.-sponsored resolution "I have met with negative results."

During his meetings with Mr. Menahem Begin, Prime Minister, and the Foreign and Defence Ministers, "We carefully spelt out what we see as potential problems on the horizon in the UN, problems that could be productive or counter-productive."

After the two-hour meeting, Mr. Strauss said that agreement had been reached on some issues between the U.S. and Israel, adding: "I do not want to go into the difficulties now."

Israel believes that the U.S. has adopted a pro-Arab policy in recent weeks. Specifically Jerusalem points to U.S. activities on the Palestinian resolution at the UN, recent meetings between American representatives and the Palestine Liberation Organisation and a new U.S. arms sales to Jordan and Saudi Arabia.

The dramatic resignation of Mr. Andrew Young from his post as U.S. Ambassador to the UN following his meeting with a PLO observer, did little to calm Israel's fears. However, the Young affair, which has created a storm in the U.S., was not raised by Mr. Begin in yesterday's talks. He sees it as an internal U.S. issue.

Mr. Strauss, who is chairman of the U.S. delegation to the Palestinian autonomy talks, discussed the prospects for progress in these negotiations when he lunched with Dr. Yosef Burg his Israeli counterpart.

Mr. Strauss flew yesterday evening to Egypt where he meets President Anwar Sadat today for what the Egyptians are describing as "crucial talks." He will return to Israel on Sunday for further talks

Meanwhile, Israel has, according to the newspaper Haaretz, taken a secret decision to expropriate up to 1,000 acres of privately-owned Arab land near Jerusalem to build Jewish housing.

Haaretz says that the ministerial committee on Jerusalem took the decision to close the gap in the belt of Jewish housing constructed around the occupied Arab part of the city since 1967.

April-June growth 3%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE ECONOMY grew rapidly during the early summer, but this mainly represented recovery from the low levels of activity of the winter and the upturn may not be sustained.

The Central Statistical Office announced yesterday that total output, as measured by real Gross Domestic Product, rose by nearly 3 per cent in the April-June period compared with the previous three months.

GROSS DOMESTIC PRODUCT
(At constant prices, 1975=100*)

1974		101.9
1975		100.0
1976		102.1
1977		104.7
1978		107.8
	1st	105.9
	2nd	108.1
	3rd	108.7
	4th	108.6
1979	1st	107.6
	2nd	110.8

* Based on output data and seasonally adjusted.
Source: Central Statistical Office

The official view is that the increase mainly reflects a recovery from levels of output depressed by the abnormally severe weather and the industrial disputes of the winter. This applies particularly to construction, manufacturing, transport and distribution. In addition, there may have been some recouping of lost output.

Nevertheless the average level of output in the first half of this year was somewhat higher than the Treasury assumed in its Budget forecasts. Output was ½ per cent more than in the previous half-year and was 2 per cent higher than in the same period of 1978.

The growth since the end of last year is largely attributable to increased North Sea oil and gas production and to increased activity in the distributive and motor trades.

Most leading forecasters—including those in Whitehall—have projected a flat level of output in the second half of the year. But there has been no firm evidence yet of any slowdown apart from a fall in retail sales last month after the June boom. But the Confederation of British Industry warned in its recent quarterly survey of a less encouraging outlook for orders and output and the turning-point in the cycle of activity could be imminent.

The trend is shown by the official index for Gross Domestic Product which stood at 110.8 (1975=100, seasonally adjusted) in the second quarter compared with 107.6 in the previous three months. This is based on output data which is usually regarded as the most reliable measure of short-term movements.

ITV companies will hold out

BY NICK GARNETT, LABOUR STAFF

THE INDEPENDENT television companies appear to have decided that they will see the service shut down for up to five weeks more rather than make any significant improvement in their pay offer to production staff.

At a meeting yesterday at the Advisory, Conciliation and Arbitration Service in London, negotiators for the 15 companies again refused to take the central money element of the offer to arbitration. They are also standing firm in not allowing the separate issue of a cost of living index to be taken to arbitration.

A meeting of senior representatives of all the companies were briefed on the ACAS talks late yesterday. The officials apparently reaffirmed the intention of making a very determined resistance to moving beyond the present offer of an overall 15 to 16 per cent. Programmes have not been transmitted for a week.

If the companies maintain this position over the next few weeks it could put members of the unions in dispute in a difficult position. The National Association of Theatrical, Television and Kine Employees, all of whose 7,000 ITV members are expected to be on strike by the beginning of next week, does not intend paying strike pay.

The Association of Cinematograph, Television and Allied Technicians, whose 5,500 ITV members have either been suspended or are on strike will only be assessing special hardship cases for dispute pay.

The two unions, together with the Electrical and Plumbing Trades Union, have not included figures in their claims but are seeking packages worth an overall 25 per cent. The companies' offer to take only certain fringe benefits and craftsmen's differentials to arbitration has proved unacceptable to the unions.

The Independent Broadcasting Authority is unlikely to allow the television companies to carry extra advertising when programmes are restored to make up for lost revenue. The IBA said yesterday that it was a firm policy that no extra advertising could be allowed when programmes were disrupted by an internal industrial dispute.

Dunbee issues new accounts

BY JOHN MAKINSON

TOY manufacturer Dunbee-Combex-Marx is sending shareholders a new set of 1978 accounts because of "certain errors of description and classification" in the original version. The errors were discovered during a review of audit working papers by the group's auditors, H. W. Fisher, after the original accounts had been posted.

As well as auditing the accounts, H. W. Fisher prepared them because Dunbee was without a finance director. The basis of the errors was a failure to consolidate subsidiary companies correctly. Neither the net worth nor the 1978 results are affected by the revision.

In the original version of the accounts, all Dunbee's bank loans and overdrafts were entered as secured, whereas in fact £15m of the £26m total was unsecured. The discrepancy arose because the parent company had given a series of guarantees for borrowings by subsidiaries which, in the consolidated accounts, should not have amounted to security.

The second major change is in the distribution of current and non-current liabilities. The parent had a long-term loan facility on which a subsidiary drew to provide short-term finance. It was therefore entered as a current liability but should have formed part of the non-current figure when the accounts were consolidated.

The only other amendment concerns a £596,000 loan, which was earlier entered as a bank loan, but transpires to have been from an insurance company.

One of the two signatories to the original report and accounts was Mr. Basil Feldman, the joint managing director, who was unavailable for comment last night. The other was Dunbee's chairman Lord Westwood.

The board proposed in the report that the leading City accountants Coopers and Lybrand should be appointed joint auditors with H. W. Fisher, a much smaller firm. Coopers and Lybrand played no part in discovering the errors, however.

Dunbee will post to shareholders revised accounts and an explanatory circular next week, though the annual general meeting will be held as planned on Monday. The resolution to approve the accounts will be deferred to an extraordinary meeting on September 13, 17 days before the statutory deadline for approving accounts.

Continued from Page 1

Retail price index

Yesterday's figures do not indicate any significant deterioration in the underlying trend. After excluding the once-and-for-all effect of the Budget measures, the index rose by roughly 1.2 per cent last month, the same as in recent months. A large part of that rise was because of the increase in petrol and other fuel prices in response to the rise in crude oil prices.

The rise in the index last month would have been even larger but for a 9.3 per cent fall in the price of seasonal foods such as vegetables. Moreover, the full price effects of the budget have not yet been passed on by retailers, partly because of price cutting during the summer sales.

Therefore, depending on market conditions, the remaining ¾ per cent effect of the budget could come through in the next couple of months, and other price rises in the offing include gas and electricity charges and provincial bus fares.

Continued from Page 1

Murray

He said the TUC's attack on the index, in advance of its publication, was misconceived and self-contradictory. The TPI was not, as the TUC claimed, a measurement of the standard of living.

The Institute of Directors said it was disappointed at the TUC's "negative attitude" and suggested it should be campaigning for a productivity index as a firmer basis for wage negotiation.

Curbs on heavy crude lifted

By David Buchan in Washington

President Jimmy Carter gave the oil companies fresh price and profit incentives yesterday to extract heavy crude deposits in the West and South of the U.S., before departing for his "working vacation" down the Mississippi, in which he is to continue to promote his energy programme.

He signed an executive order immediately ending Federal price controls on heavy crude oil, a viscous, tar-like substance, which must be heated for extraction. The U.S. has more than 10bn barrels in reserves of that oil, chiefly in California. Its price will rise from the regulated level of $6 (£2.70) a barrel to $15 to $16, just below the world market price.

As a further incentive to oil companies, the Administration is to ask Congress to exclude heavy crude from its windfall oil profits tax.

That is an attempt by the Administration to prevent the much larger loopholes which the Senate Finance Committee is likely to write into the windfall profits tax plan.

Mr. Stuart Eisenstat, the President's domestic policy adviser, said yesterday that the tax break for heavy crude was amply justified "by its very good cost-benefit ratio." The lost revenue would be only $200m a year—much less, he said, than other Senate committee proposals. The gain in production would be as much as an extra 200,000 barrels a day by 1985, and 500,000 by 1990.

The double incentive price and profit, was needed, he said, because heavy crude had to be heated at every stage to prevent its resolidifying, during extraction, and while it was piped and stored.

The House of Representatives has passed a version of the windfall profits tax that satisfies President Carter, who is nevertheless worried the Senate will weaken it this autumn. Proceeds from the tax would go to finance the President's $142bn energy programme for the 1980s.

However, the White House believes that, without a tax exemption for heavy crude, the oil companies will not increase their efforts to extract it, even with a price increase.

Meanwhile, the Carter Administration seemed to be having difficulty in filling the number two slot at the Energy Department to replace Mr. John O'Leary, who is leaving soon. According to Press reports, Mr. John Sawhill, president of New York University and a former high energy official under Presidents Nixon and Ford, has agreed to take the job.

Weather

UK TODAY

EASTERN areas cloudy, some rain in N.E. Western areas dry, sunny periods.

London, S. England, Midlands, Channel Is., Wales, I. of Man, N. Ireland
Mostly dry, sunny periods. Max. 20C (68F).

E., N.E., and Cent. N. England, Borders
Cloudy, occasional rain. Max. 18C (64F).

N.W. England, W. Scotland
Sunny intervals, showers. Max. 17C (63F).

Rest of Scotland
Cloudy, rain at times. Hill fog. Max. 15C (59F).

Outlook: Dry, sunny intervals. Becoming cloudy with rain in W.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	25	77	London	R	16	61
Algiers	S	27	81	Luxmbg.	R	13	55
Amsdm.	C	15	59	Luxor	S	39	102
Bahrain	F	37	98	Madrid	S	28	82
Barclna.	F	26	79	Malaga	S	26	79
Belfast	C	15	59	Malta	F	25	77
Belgrd.	C	21	70	M'chstr	C	14	57
Berlin	S	22	72	Melbne.	F	11	52
Biarritz	C	20	68	Milan	S	28	82
Bmghm.	R	14	57	Mntreal.	S	20	68
Bordx.	R	20	68	Moscow	C	16	61
Boulgne.	C	15	59	Munich	C	16	61
Bristol	C	14	57	Nairobi	C	19	66
Brussels	C	17	63	Naples	R	26	79
B. Aires	S	18	64	Nwcstl.	C	15	59
Cairo	S	32	89	N. York	S	23	74
Cardiff	R	13	55	Nice	S	28	82
Cas'b'ca	S	25	77	Nicosia	S	27	81
Cape T.	S	16	61	Oporto	S	22	72
Chicago	R	19	67	Oslo	C	16	61
Cologne	F	18	64	Paris	C	19	66
Cpnhgn.	S	22	72	Perth	R	16	61
Dublin	C	16	61	Prague	F	22	72
Dbrvnk.	S	24	75	Reyklvk.	C	11	52
Ednbgh.	R	14	57	Rio J'o	C	26	78
Faro	S	22	72	Rome	S	29	84
Florence	C	29	84	Salzbrg.	C	17	63
Frankft.	F	19	66	Singapr.	S	29	84
Funchal	C	23	73	Stckhm.	S	25	77
Geneva	F	20	68	Strasbg.	F	20	68
Gibrltr.	S	26	79	Sydney	F	16	61
Glasgow	C	16	61	Tangier	S	28	82
G'rnsey	S	16	61	Tehran	S	29	84
Helsinki	S	25	77	Tel Aviv	S	28	82
H. Kong	R	27	80	Tenerife	S	23	73
Innsbrk.	F	20	68	Tokyo	C	31	88
Invrnss.	R	13	55	Toronto	S	15	59
I.o.Man	C	13	55	Tunis	F	27	81
Istanbul	S	23	73	Valencia	F	30	86
Jersey	F	16	61	Venice	S	29	84
Jo'burg	C	14	57	Vienna	F	26	79
L. Plms.	F	25	77	Warsaw	S	25	77
Lisbon	S	26	79	Zurich	F	18	64
Locarno	F	25	77				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

THE LEX COLUMN

The sterling risk and gilt-edged uncertainty

Index rose 5.5 to 474.2

The stags of the short tap are paying dearly for their indiscretion in trying to buy out the Government Broker on Thursday. The stock has slipped to a small discount to its tender price, and is ⅜ point below the level at which the GB last supplied. Some distress selling took a rather sorry gilt-edged market down yesterday and equities fell in sympathy. Meanwhile the authorities are still in control.

Overseas support would be very valuable to the gilt-edged market now, as domestic institutions are fairly fully invested and have committed cash-flow ahead on partly-paid stocks. Unfortunately, sterling has been looking rather weak over the past few days, losing 3 cents on the week and 0.8 points on the trade-weighted index. Without official support yesterday, it could even have fallen below $2.20 at one stage. British investors can explain away the 4.3 per cent jump in retail prices — rather a poor figure, even stripping out the VAT element—but it will not have reassured the men from Mars who are supposed to have been buying long-dated stock. It is to be hoped that Monday's trade figures for July will show some improvement.

The rise in U.S. prime rates to 12 per cent this week has been taken without a murmur by the British markets. But the American funds which have recently been flirting with gilts may be distracted by their own bond market—the U.S. dive into recession is proving much more convincing than the British. They will certainly be watching sterling very carefully indeed.

Coral Leisure

Now that it owns Pontins and Centre Hotels there is a heavy seasonal bias in Coral Leisure's profits, with roughly two-thirds arising in the second half. Nevertheless, a £1.3m drop in interim pre-tax profits to £5.8m is disappointing especially if one knocks off £0.8m profit on the disposal of Coral's stake in Associated Leisure.

It seems that the poor weather at the start of the year badly affected the group's bookmaking and hotel divisions. However, it is confident that there will be a "significant gain" in full year profits. Fortunately, the casino side, where profits slumped by £4.4m last year, is doing much better and the hotels side should recover from its previous poor performance. Against this it is clear that Coral is feeling the pinch of higher interest rates, with a £1.1m jump in financing charges in the first half.

On present form Coral looks capable of pushing its full year profits up from £22m to £25m and the interim dividend is to go up by 10 per cent. At 110p the shares yield a prospective 10 per cent which looks comfortable enough. But over the longer term Coral still needs to demonstrate that its ambitious takeover of Pontins and Centre Hotels were in the shareholders' best interests, given the substantial dilution that has resulted.

Alcan (UK)

Alcan Aluminium (UK) is quite a bit larger than British Aluminium in terms of sales and capital employed, but its profits this year will probably be only two-fifths as large as BA's. After six months, Alcan is down frwom £5.1m to £3.6m pre tax, and its main problems have been production breaks at the Lynemouth smelter, and industrial relations difficulties at the main rolling mill in Gwent. Together, these have probably knocked profits by £2m or £3m. The transport strike and the strength of sterling have also depressed the figures—around a quarter of Alcan's semi-fabricated products are exported, and most of its costs arise in sterling.

Output is now running more smoothly, and with price increases under its belt Alcan should make a lot more in the current six months than it did in the first half year. But it is now taking a cautious line about the outlook for demand in 1980, and it will probably be two or three years before its heavy investment programme starts to pay off properly. Meanwhile the group is making a sizeable loss in current cost terms, which is why the shares stand at 120p and yield around 12 per cent.

Stenhouse Holdings

Continental Corporation's announcement that it intends to buy 20 per cent of Stenhouse Holdings in the open market brings back memories of American Brands' market raid on Gallaher shares at the time of its partial bid in 1968. That provoked bitter criticism of the Takeover Panel. It is certainly better that Continental should declare its intentions openly than that it should acquire the shares secretly. But Monday's rush to offer Stenhouse shares to Continental will still be first come, first served. A partial offer to everyone would have been better.

Shell

The yield on Shell T & T shares given in yesterday's note failed to take account of that part of the dividend that was declared but, as a result of dividend restrictions, not paid in 1978. Adjusting for this, the historic yield is 7.2 per cent at 326p.

Extra Income

Schlesinger Extra Income Trust 9.7% per annum.

Following the drastic reductions in direct personal taxation in the Budget, there is now a major incentive for many more people to save and invest for income. Whilst stockmarket prospects will be affected by the current problems of oil shortages and inflation in the short term, Schlesingers believe that this may well result in a most attractive buying opportunity for investors taking a medium to long-term view. Schlesingers now particularly favour high-yielding ordinary shares which should also attract new investor support.

All equities
Such ordinary shares or "equities" comprise the entire portfolio of Schlesinger Extra Income Trust. It is a diversified portfolio of over 100 carefully selected holdings, many of which are smaller companies. Whilst a still higher yield could be obtained by investing in fixed interest stocks, such investments cannot increase their income and have less potential for *capital* growth. Since launch the offer price of the units has risen 24% and the F.T. Industrial Ordinary Index 7.0%.

Quarterly income growth
Because it is invested entirely in equities the Extra Income Trust also provides the potential for *income* growth. Indeed, since the launch of the Trust in May 1977, there have been eight *quarterly* payments, each one higher than the previous one.

The current estimated gross yield on the offer price of 30.9p xd is 9.69%. Payments are made on March 1st, June 1st, September 1st and December 1st, starting December 1979 for new investors. Any investment should be regarded as long term.

Remember that the price of units and the income from them may go down as well as up.

PIMS-a special offer
Minimum investment in the Trust is £500. Investors of £2,500 or more receive Schlesingers unique Personal Investment Management Service (PIMS). This includes detailed portfolio reports and valuations together with invitations to meet the investment directors at PIMS investment meetings. PIMS also features a full advisory service on taxation and financial planning.

Schlesingers are currently offering investors an opportunity to try PIMS for 6 months, without any commitment. This will include free monthly PIMS Reports and a restricted number of invitations to a PIMS meeting in the Autumn.

Schlesingers Monthly Income Portfolio is also available and involves equal investment in their three high-yielding trusts – Extra Income, Income and Preference & Gilt. It currently offers a yield of over 10.3% gross per annum with income being paid on the 1st of every month.

Short-term problems often provide long-term buying opportunities.

General Information

To: Schlesinger Trust Managers Ltd., 140 South St., Dorking, Surrey. Tel. Dorking (0306) 86441 – or FREEPHONE 3169 (via operator). *Weekend and Evening Ansaphone.*

I wish to invest (minimum £500) £
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I wish to receive your special offer of the PIMS service for 6 months ☐

Please send me details of Extra Income Trust. ☐

Please send me details of the Monthly Income Portfolio. ☐

Surname (BLOCK LETTERS PLEASE)
(Mr/Mrs/Miss)
First names (in full)
Address
Date
Signature
(In the case of a joint application all must sign.)
FT 18/8

Schlesinger Extra Income Trust
Schlesingers manage over £120,000,000 of private, institutional, and pension funds.

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